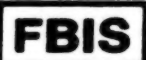


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West Europe Report

No. 2126



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OBLESER ON AIR FORCE ROLE, COOPERATION WITH U. S.

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 26 Mar 83 p 3

[Discussion between Adelbert Weinstein and Luftwaffe Chief of Staff General Obleser]

[Text] Washington, 25 March--At the conclusion of his trip to the United States, Air Force Chief of Staff General Obleser, who is retiring from service, spoke in favor of continuing the intensive cooperation between the American and German air forces. Obleser, who is leaving active service at the end of this month, emphasized to this newspaper that his branch of the armed forces owes the high quality of its training, among other things, to its close cooperation with the American Air Force. He said that the closing of the German-American training center for pilots in Arizona does not mean that the arrangement has now ended with respect to training facilities on American soil for the German Air Force. At the Luke Airbase station near Phoenix, German pilots have had instruction and advanced training on the F 104-G Starfighter. Now this plane is being superseded by the Tornado. The training of junior pilots for the F 104-G is no longer necessary, he said. Thus, in agreement with the American partner the joint work in Arizona has been discontinued. "But the training system there was only one component in a comprehensive structure of German-American partnership."

In the future as well the German Air Force will be training jet pilots in America, he said. Officers in air-defense units and belonging to other missile units are being trained in the United States, and courses on electronic systems are continuing to be held there. The reasons for the transfer of important branches of training in the Air Force to America are manifold, he said: Basic flight training is benefited by choosing airfields in warm zones. The German special technical units can make use of the global experience of the American Air Force. "At bottom, we are dependent on the technical capacity and knowledge of the Americans." It is true that to engage in training thousands of kilometers away from home is not cheap. "But we are not spending very much more in America than we would for training projects in the FRG. There, the training is done in accordance with our own notions, and by the 'purchase' of complete training systems from the Air Force we are relieving the strain on our own infrastructure. In this area we are the gainers."

Of course, the American Air Force benefits also from this special situation, said General Obleser. Not least in importance for the American military leadership is the fact that it has gotten a total view of the organizational qualities, the level of flying performance, and the specialized abilities of the soldiers of one of its most important partner countries. Conversely, for the Germans this close contact with America is a yardstick for measuring the capabilities of the U. S. Air Force. Cooperation is facilitated by way of accord in tactical thinking and the harmonizing of strategic views.

To be sure, it was a shock for the North-American ally when the Europeans, and in this connection especially the Germans, dealt a blow to the leading role and the hitherto undisputed top position technically of the Americans in the alliance, with the designing and manufacturing of the Tornado by the Europeans. The American aircraft industry above all has not welcomed the Tornado development, he said. But the Air Force soon recognized that with the Tornado the European air force is now enriched by an airplane of a particularly high quality. "This airplane is respected by all the experts."

Up to now, some 48 Tornados have been placed in service in the Bundeswehr, he said. These are flying in the naval squadron. "One hears only the best of things about this system from the pilots and the technicians." From May on, the Tornados will be assigned to the wings of the Air Force. The regrouping and conversion of the flying units to the Tornado will extend over a considerable period of time. The retraining of the pilots is being undertaken in Great Britain. "This training in England is a part of the major package of Tornado development and materialization of the project, in which there has been a successful participation and a continued involvement by three different Atlantic states."

The broad range of possible applications of the Tornado makes this weapon system a central element in the so-called Rogers Plan. Obleser said that as a German chief of staff he did not want to speculate or reflect aloud here on strategic concepts, since this is solely the responsibility of the Atlantic commander-in-chief. He also did not want--emphasized General Obleser--to speak about the military-policy aspect of the so-called Rogers Plan. "But as a soldier and pilot, I say that the Tornado weapons system fits as if tailor-made into a strategic plan which makes use of far-reaching aeronautical means to disrupt the attack of a potential enemy in any weather situation and as early as in the deployment stage, and indeed whether conventional or nuclear weapons are under consideration." Of course, a dozen years ago, when the tasks had been specified which the Tornado was to be developed to perform, nobody had thought about the Rogers Plan. But the strategic planning done then, and the operational requirements and technical demands which were placed on a new airplane, have had an effect today as if the future had been anticipated.

Finally, General Obleser warned against giving in to fashionable military ideas and following a trend which places the chief stress of air-weapons defense solely on missiles. What is called for is a "good weapons mix." "What we need are airplanes and missiles and electronics. And we need this in a balanced proportion. The thought that a missile can replace an entire wing is absurd. The person who sits in the airplane cannot be replaced by anything else."

He said that it is not acceptable, for example, to be satisfied with only "a token air force." Because then there would be a recurrence of the situation into which the German Air Force had been thrust in World War II. At that time, nobody had any conception of a balanced defense. "A token air force" was put into action against the eminently comprehensive system of the allies, especially the American air force. "Although the total defense provided by a modern air force is expensive, it is the guarantor for a persuasive deterrent force."

The chief of staff spoke sceptically about the extent of outfitting of his armed forces branch with electronic equipment. "I would not say that we have no electronic equipment on hand. But what we do have is simply not adequate." For an air force, reconnaissance is the indispensable prerequisite for having a sufficient capability. Also it is essential to fill in gaps in the air defense. "In this area, we have reached the lower margin of what is tenable." The critical situation in connection with military electronics and in the sector of air defense does indeed worry him, said General Obleser in conclusion. "But as chief of staff, I can state that the German Air Force is in a leading position with its training, and that we have excellent weapons and outstanding equipment. This air force is a good one. It has a significant position in the alliance."

12114

CSO: 3620/272

GOVERNMENT EMPHASIZES NATO SOLIDARITY IN DEFENSE DEBATE

The Hague ANP NEWS BULLETIN in English 11 Mar 83 pp 4-5

[Text] The Hague, 10 March--Foreign Minister Hans van den Broek told the second chamber today he would not rule out an intermediate solution as result of the Geneva missile-cutting talks, but felt the so-called 'zero option' should remain the ultimate goal.

He advised the chamber on the third day of the NATO debate not to adopt a D'66 motion, submitted by Mr Maarten Engwirda, advocating an intermediate solution not requiring the Soviet Union to dismantle all its SS-4, SS-5 and SS-20 missiles.

He stressed the importance for the NATO countries to toe the same line pending the outcome of the Geneva talks.

Mr Van den Broek made it quite clear that the Dutch government's view an intermediate solution should be followed by further negotiations towards the zero option.

He left it to the chamber to vote on a Labour resolution, asking the government to probe the feasibility of a nuclear-free zone in central Europe, but said he felt it was not consonant with the position so far achieved in the Geneva talks.

Infrastructure Fund

Both Mr Van den Broek and Defence Minister Job de Ruiter advised the chamber not to adopt a Labour-sponsored resolution urging the government to stop paying Holland's contribution to NATO's infrastructure fund to finance the siting of 572 medium-range nuclear missiles in western Europe.

The foreign minister also advised the chamber not to adopt a Labour resolution calling for integration of the east-west medium-range missiles talks and the strategic arms reduction talks (Start).

He argued that integration would make it more difficult to achieve early results at the missiles talks.

The government has repeatedly stated it is not ready to halt preparations for cruise missiles sitting in Holland--as advocated by the Pacifist socialist party (PSP) in a resolution.

Mr Van den Broek once again made clear the government wants to keep open all options precisely for the sake of striking the best possible bargain at the Geneva missiles reduction talks.

Defence Note

D'66 floor leader Maarten Engwirda urged the government to make hard and fast proposals in its defence note to be published next autumn for a reduction of Holland's short-range nuclear tasks.

But Mr Van den Broek retorted that in making the plea Mr Engwirda appeared to be ignoring the results expected next autumn of a NATO study on reducing short-range and other nuclear arms.

The debate showed that Christian democrat (CDA) spokesman Ton Frinking may count on majority support for his resolution asking the government to make concrete proposals in the defence note aimed at arriving 'in consultation with the allies' at 'a significant' cutback in Holland's nuclear tasks.

Mr. De Ruiter told Mr Aad Wagenaar of the small Reformed Political Federation (RPF) that generally speaking the government was pursuing 'a sufficiently active information policy.'

In the light of this there was no need for his resolution urging the government to get such a policy off the ground to explain the reasons for NATO's 1979 deploy-and-talks decision.

CSO: 3600/12

EXISTENCE OF MORE TERRORIST GROUPS ALLEGED

Lisbon EXPRESSO in Portuguese 5 Mar 83 p 2

[Excerpts] According to what EXPRESSO learned from a reliable source, the police concede the possibility that the two armed persons arrested in Porto early Monday morning, when they were presumably preparing to hold up a bank in Espinho, may not belong to the FP-25 [25th of April Popular Forces] but to some other urban guerrilla organization.

This assumption is based on the fact that the pamphlets found in the detainees' possession did not have the FP-25th of April acronym as was initially reported. They had the FUP (Popular Unity Front) acronym instead. Actually, the seized documents are a complete collection of this organization's first congress theses. The source contacted by EXPRESSO said in regard to this that recently a regrouping of forces among various extreme Left organizations had taken place. This is the result of a number of divisions and militants changing from some groups to others. Still according to the same source, a similar process may have led to the creation of a new organization that is separate from the FP-25.

Attacks Being Prepared?

Meanwhile, EXPRESSO has learned that the PSP [Public Security Police] has plans which were to be the basis for future attempts against the prime minister and the Israeli ambassador to Lisbon. These plans were apparently prepared by the so-called CODECOS (Commandos for the Defense of Western Civilization), a group which was connected with the extreme Right and now proclaims to be the extreme Left.

The PSP found the plans in an abandoned case at the Paco de Arcos station on 15 October 1982 after it received an anonymous tip.

The outline for the possible attacks was found among other papers and some war materiel—particularly grenades. Two different sketches contained a detailed description of the planned terrorist attacks against those two persons.

According to the plans, the attack against the Israeli ambassador would be made by two persons throwing two defensive grenades at his official vehicle.

The sketch contained a drawing of the embassy building, the surrounding streets, the route being taken by the diplomat's vehicle (with the correct license plates shown) as it arrived and the position of the two individuals (one on each side and slightly to the rear of the car) at the time the grenades were to be thrown. The person who did the sketches even identified the two participants in the attempt with the names of "Abu" and "Alik."

Still according to the same papers, the attack against the prime minister's vehicle was to have been carried out as it left government house on Gomes Teixeira street. It would have been done by detonating a car boobytrapped with 150 kilos of TNT by remote control.

The same individual made handwritten descriptions of the methods, people and objectives in English. The sketch describing the attempt on Pinto Balsemao's life has "Four day 1983" [In English in original] as a heading. Investigators do not know its exact meaning but it could represent the date of the expected attack. The street where government house is located is identified as "Gomez Teixieira" [sic] which may lead one to believe that the person who drew up the plans was not Portuguese.

Both papers (which an EXPRESSO reporter saw photocopies) have the CODECO acronym. The one pertaining to the prime minister has "operations sector" written on it. Police authorities, however, have not yet been able to find out if the documents are truly CODECO's or if this is a maneuver to pass responsibility for the plans to them. In any event, if such a plan existed it was not carried out in the end. In fact, almost 5 months have passed since the papers were found.

9935

CSO: 3542/91

DEVELOPMENTS IN ARREST OF F-25 APRIL MEMBERS

Couple Arrested

Lisbon O DIA in Portuguese 4 Mar 83 p 13

[Text] As we have already reported, the Judicial Police has been busy investigating the case of the shootout between a gang of F-25 April members and the police at the Carregal garden in Porto, where two members of that revolutionary organization were arrested. As we said, during the shootout two men and one woman appeared, following the two cars that were stopped. In one of the cars several documents were found, among them one referring to a rented house, but without indicating the address. The PJ [Judicial Police] investigated this detail and then connected it with an advertisement published last Friday, for a house for rent at the Esmoriz beach, relatively close to Espinho.

The PJ then went there and arrested a couple, but they have not said whether this couple was part of the group, but everything indicates that they are. It is also said that the name of the man who was arrested is Carlos Gerales and that the girl lives in Porto. At the same time the investigations have continued about the hold-up that they were going to carry out in Espinho at a local bank. Also on this subject, there are many things that the PJ is not revealing. Thus, it is being said that the operation of the gang was of greater scope and it is believed that possibly they were going to rob several banks of that city at the same time.

All this speculation is due to the number of cars that were to be used because it is known that in addition to the three cars stolen by the terrorists from a Porto garage during a hold-up there, two more cars were seized during the shootout which broke up the entire operation, plus two which belonged to members of the group and a small pickup whose documentation was also found. The latter, a Renault pickup is believed to have been intended for use in carrying the loot, mixed with a cargo of various kinds. In a sketch that was found, it was located near the Espinho viaduct but, of course, it was not there because it was not placed there yet, or the person in charge ran away upon learning what happened. However, for things to have been so, there would have been need for many more people, which leads us to believe that the operation would have been carried out by some 15 or 18 men.

So, the investigations continue and it is expected that the PJ will either confirm or not what is being said on the subject.

Woman Jailed

Lisbon DIARIO DE LISBOA in Portuguese 7 Mar 82 p 8

[Text] Maria Suzete Goncalves Ribeiro, arrested and charged with belonging to the group allegedly implicated with the "FP-25" dismantled last week in Porto, was confirmed in the arrest by the criminal court of that city, without admission of causation. According to the PJ, the group was involved in the shootout with agents of the PSP and had planned to hold up two banking establishments in Espinho. As we reported Jose Alexandre Figueira and Jose Manuel Barradas were arrested. Both reside at Costa de Caparica. The JIC [criminal courts] have not confirmed the arrest of another individual who was arrested together with Maria Suzete. In the meantime, the Commission of Struggle Against Repression (CLCR) in a communique made public now, accused the Judicial Police of "having carried out a provocation by arresting labor union activist Maria Suzete Ribeiro" who lived in Sacavem.

11635

CSO: 3542/81

ARREST OF ETA-PM SUSPECTS IN ORBEGOZO KIDNAPPING

Barcelona LA VANGUARDIA in Spanish 8 Mar 83 p 11

[Text] San Sebastian--Yesterday the Ministry of the Interior reported on the results of a police operation which began some days ago, and which ended in the arrest of six members of the ETA-pm [Basque Fatherland and Liberty Group-political-military] 8th Assembly. They are implicated in the kidnappings of Orbegozo, Mirentxu Elosegui, and three consuls in Navarra and Vizcaya, as well as numerous crimes carried out in different parts of the country, among them the bombing campaign against tourist installations in Levante.

The people arrested are: the husband and wife team of Joseba Andoni Ostolaza Izaguirre and Josebe Andone Elizondo Ubiria, residents of Pasajes de San Pedro; the mechanic Joseba Imanol Zubeldia Urretavizcaya; Mirentxu Argi Dacosta Gomez; Miren Teresa Landabea Odriozola and Marcelino Pita Pena; residents of Renteria, San Sebastian and Villabona (Guipuzcoa) respectively.

After the arrest, various "zulos" [hideouts] were discovered, and a "people's jail," various weapons, ammunition and explosive material, as well as documents relating to the proceedings of the 8th Assembly of the ETA and to various details of the organization's apparatus, as well as copies of the publications KEMEN and ZULOTIK and other material.

Four other members of the Guipuzcoa "talde"--"Satur," "Tato," "Tigresa" and "Kike"--are at present fugitives in France.

The "talde" is believed to be responsible for the following actions: the holding of three kidnapped consuls in the "borda" (hut) in Donamaria (Navarra); transportation of Orbegozo from Ordizia to the same "borda" one year later. In these actions, the wife of Ostolaza, Josebe Andone, acted as liaison and courier between the commando group and the organization. The commando group also took charge of holding the kidnapped Mirentxu Elosegui in the people's jail belonging to the "talde" in Esnabide Street in Pasajes.

Among other crimes attributed to them is the campaign of using explosives against the tourist trade in the south in the summers of 1979 and 1980; also the attack against a navy ship anchored in the port of Pasajes which used a bomb placed on a little radio-controlled toy boat.

From their statements it appears that the "talde" had other actions prepared for the near future, such as attacks against the civil government of Guipuzcoa and the Civil Guard barracks in Andoain, Zarauz, Renteria, and another non-specified one in Navarra; the assassination--'ekintza"--of Civil Guard customs officials in Irun, etc.

8131

CS0: 3548/260

PRO-ETA MARCHES FAIL TO DRAW GOVERNMENT REACTION

Madrid EL ALCAZAR in Spanish 8 Mar 83 p 7

[Article by Jesus Maria Palacios: "Terrorist and Separatist Celebration in Bilbao."]

[Text] Twelve thousand people, according to the Vizcaya Civil Government-- 40 or 50,000, according to their organizers--joined their voices in a chorus of shouts like "Long Live the ETA [Basque Fatherland and Liberty Group]-military"; "Independence"; "ETA, the people are with you"; and "ETA, keep up the armed struggle," among others, during the demonstration, which lasted for an hour and a half. It was authorized and convened by the national board of Herri Batasuna [Popular Unity] last Sunday, and took place in the most central and popular streets of Bilbao. At no time were the police present. A pair of municipal traffic policemen cleared the way for the demonstrators, and held up traffic. Also, the civil governor of Vizcaya, Julian Sancristobal Iguaran, did not give any orders to arrest those people who were carrying symbols of the ETA gang or the hooded individuals who placed an ETA banner in the Arenal. And let it be known that the members of the national board of Herri Batasuna--Jon Idigoras, Chomin Ziloaga, Pedro Solabarria--and others responsible for the gathering were neither arrested nor asked to appear at the police station to make a statement; on the contrary, once the march was over, they told reporters that Herri Batasuna is continuing its combat status, and that the Madrid government, sooner or later, would have no other recourse than to sit down at the "peace table."

EL ALCAZAR was able to ascertain through the press office of the Ministry of the Interior that no action had been taken by the government. The state public prosecutor's office reported that no information or documentation regarding these events has been entered in the records of the Supreme Court, nor had the attorney general, Mr Buron, been alerted for a possible examination of whether there had been events constituting a crime. The press spokesman of the Basque government, Mr Gorka Knor, stated that the Basque government had said nothing, that possibly it would not say anything, and that in any case "that was the business of the Spanish Government." The concillor of the interior, Luis Maria Retolaza, while he was in the Basque parliament did not leave any instructions in his office except that "no one here should talk with the press." Finally, the private secretary of the Vizcaya civil governor informed us that "up to now nothing has been done, and we believe that nothing is going to be done."

"Independence and Cheers for the ETA"

The demonstration left the La Casilla Plaza at twelve noon, headed by a huge sign which filled the whole width of the street, on which there appeared the flag of Herri Batasuna and the inscription in Spanish and Basque: "For national sovereignty and the normalization of democracy in Euskalherria." A chorus of rhythmical shouts or "independence" immediately began, and was joined by the most hard-line groups of a militant and international Marxist type, who had joined the separatists hours before, having arrived by bus and other means of transportation from different parts of the Basque provinces and Navarra. Singing the "Eusko Gudariak" over and over, the procession marched under banners which proclaimed independence and liberty for the Basque prisoners, amid persistent shouts condemning the National Police, torture, and the Lemoniz nuclear power plant. Certain separatist Basque parliament members openly joined in the chorus of "Hurrah for the ETA," "ETA, the people are with you," "Long live the ETA-military," as well as others in favor of the alternative KAS [Patriotic Socialist Coordination] and the armed struggle. The presence of the Flemish Belgian senator Walter Luyten put the crowning touch on the colorful spectacle. He marched at the head of the demonstration with a Flemish sign, and kept shouting against the attempt of the Belgian Government to expel two ETA terrorists exiled in Belgium. There was no evidence that this individual and his companions have been expelled from Spanish territory.

Political observers in the Basque Country told EL ALCAZAR that this demonstration, which they call a real challenge to the institutions, could reach a point of no return if there continues to be no response from the socialist government. This separatist provocation, with its support from foreign powers and the unmistakable identification of those who convened it with the gangs of terrorist assassins, leaves no room for doubt. It is not that Herri Batasuna has taken off its mask—it never had put one on.

Basque Government: For National Sovereignty

On the other hand, it should be mentioned that this demonstration was called because of the failure of the peace table to meet, when it was the very attitude of Herri Batasuna itself that prevented it from doing so; moreover, as specialists in Basque politics have indicated, the government of Carlos Garaicoechea is going through a difficult time, increasingly under pressure from the terrorists, and at this time it cannot even convene the Basque parliament for lack of a quorum, in view of the absence of the PSOE [Spanish Socialist Workers Party], AP [Popular Alliance] and EE [Basque Left]. In this regard, it is noteworthy that Garaicoechea's government, far from condemning the separatist terrorism of the ETA and its HB hangers-on, affirmed—before this convocation which was aimed at promoting unity—that it agreed with their goal, that is, the achievement of national sovereignty; but that this and other demands should be made through the democratic process. Here, the observers say, we will again see a picture which has been repeated a thousand times: ETA kills; its followers, the legal separatists (who according to Mr Peces-Barba, president of the congress of deputies, work within the constitution)

join in the chorus, and the Basque government reaps the benefits which are bringing it nearer to its objective: national sovereignty, the independence of the Basque Provinces and the annexation of Navarra. Two different strategies for the same goal.

Mitterrand Allies Himself With ETA

Finally, and within this context, we must point out another failure of our diplomacy in regard to French-Spanish relations. In answer to the plea from Spanish socialism to its French counterpart to take a harder line against the ETA terrorists settled in France, and their request to stop giving them sanctuary there, there came the following reply: in the French municipal elections of last Sunday, the socialists were the ones who lost.

8131

CSO: 3548/260

GASOLINE REMAINS EXPENSIVE EVEN AFTER OPEC PRICE CUTS

Reykjavik NEWS FROM ICELAND in English Apr 83 p 2

[Text] Although world prices for crude oil kept falling in the recent past, that trend hardly became a palpable reality as far as Icelandic motorists were concerned. In fact the nationwide rate for petrol (gasoline) increased to 15.90 kronur (about \$0.80) per litre a few weeks ago.

Of what was being paid at the filling station, the Icelandic state treasury received more than 55%. As it happened, the value of the U.S. dollar in krona terms went up by 22.79% from the beginning of the year to March 4. Meanwhile, the import prices of oil products (in dollars) declined by sizeable, but smaller percentage margins.

For a long time, the Soviet Union has supplied most Icelandic requirements of petroleum products, with the rates following spot-market quotations in Rotterdam. When the retail prices are adjusted, it is often necessary to compensate distributors for losses due to inaccurate estimates at earlier dates.

As a matter of policy, efforts are made to maintain 70-90-day supplies in this country—especially during the winter months.

CS0: 3600/11

JAPANESE CREDITS AIDING COMPLETION OF NATIONAL POWER NET

Reykjavik NEWS FROM ICELAND in English Apr 83 p 10

[Text] The National Power Company, a newly reorganized utility running all major generating stations in Iceland, recently negotiated Japanese credits worth 5 billion yen, or about 400 million kronur at the current exchange rate. Borrowed for a term of ten years, the capital will be used to fund a hydro project in the western North, among other things.

While the yen interest rate is 8.6%, no debt-service payments fall due over the first six years.

The National Power Company, founded in 1964, was originally a 50-50 partnership of the state and the city of Reykjavik. But a merger of the NPC and the Laxa River Utility (N-Iceland) will be completed in mid-1983. Under the new setup, the NPC must charge equal wholesale rate countrywide.

The bulk of all electricity now supplied to the national grid, whose main transmission line will encircle Iceland by year's end, comes from NPC hydro plants in the central South. The ongoing project on the Blanda river in the western North will lead to the first big installation of the type in that region.

CSO: 3600/11

BRIEFS

COAL USE UP—Icelandic coal imports stood at just 157 tons back in 1978, but last year's figure is estimated as 27,000 tons at least. The mushrooming of such consumption in the recent past, however, follows almost exclusively from the operation of the ferrosilicon smelter at Grundartangi, near Akranes (SW-Iceland). The production of each ton of alloy turned out by the plant requires about half a ton of coal. That aside, large additional supplies of this fossil fuel, perhaps another 20,000 tons annually, will become necessary by mid-1983—after the cement factory in Akranes switches from oil to coal. Spokesmen for the enterprise say that the conversion may cut the energy bill by as much as 50%. [Text] [Reykjavik NEWS FROM ICELAND in English Apr 83 p 2]

DROP IN FUEL-OIL USE—Icelandic imports of light fuel oil fell by 19.1% last year, to 141,442 metric tons. That development reflects the ban on capelin fishing, along with recent strides in harnessing geothermal and hydro sources. As always for more than a quarter-century, the Soviet Union supplied the bulk of Icelandic requirements of petroleum products in 1982. Aviation fuels and lubricants continued to be imported from other countries. The demand here for diesel oil last year was down by a significant margin—while jet-fuel imports rose by 21.6%. The consumption of petrol (gasoline) for motor vehicles increased slightly. Traditionally, the Icelandic Ministry of Commerce is the official signatory to import transactions in this domain, but the distribution (at fixed prices) is handled by a number of private companies. The deals involving the Soviet Union are negotiated within a framework trade pact between the two nations. Light fuel oil from the USSR, recognized as a superior grade of the product, is commonly used in Iceland to run large marine engines, those of fishing vessels as well as freighters. The savings from this are considerable, despite some increase in maintenance costs. [Text] [Reykjavik NEWS FROM ICELAND in English Apr 83 p 13]

CSO: 3600/11

BRIEFS

ELECTRICITY PRICE RISE--We received the following notice from the EDA [Azorian Electric Company] with a request to publish the notice: "To assure the EDA's economic and financial balance in accordance with the terms stipulated in the contractual program established between the government and the company, it has become necessary to increase the average-price level in the sale of electric power by about 15 percent, pursuant to the provisions of an administrative directive dated 14 February 1983 and issued by the Regional Secretariat of Commerce and Industry. In addition, a worsening in the cost of fuel is leading to an increase in the cost per kWh of about 2 escudos based on the indexing formula approved by Administrative Directive No 26/80 of 29 February 1980 issued by the same secretariat. To alleviate the effects of these additions to the billings of our domestic consumers and inasmuch as the charges for electric power are a small part of the cost in the final product of regional industries and other services, generally speaking, the new rate schedule now becoming effective will consist of a single rate for medium tension and two rates for low tension, one of them made up of less burdensome prices for domestic consumers." [Excerpt] [Ponta Delgada CORREIO DOS ACORES in Portuguese 23 Feb 83 p 10] 8568

ENERGY-SAVING TV MEASURE-- Restrictive measures with regard to the consumption of electric power in the use of television will be extensive in the Azores, according to information received by our newspaper. To be precise, the Azorian branch of the RTP [Portuguese Radio-Television System] will sign off at 2300 hours from Sunday to Friday with a 15-minute leeway; on Saturday, televising will be permitted to continue until 2330 hours with the same leeway. The reasons for the implementation of these measures in the area are not known inasmuch as no emergency measures were announced for saving energy in the Azores, contrary to what is happening on the continent which is plagued with energy problems due to the drought which is devastating the country's continental area. [Excerpt] [Ponta Delgada CORREIO DOS ACORES in Portuguese 25 Feb 83 p 1] 8568

CSO: 3542/89

VAN MIERT DENOUNCES GOVERNMENT'S ECONOMIC POLICY

Brussels LE SOIR in French 4 Mar 83 pp 1,2

[Commentary by Karel van Miert, president of the Flemish Socialist Party:
"Like Sister Ann"]

[Text] A year of experiments carried out by the center-right government makes it possible to draw up a preliminary balance sheet.

A first observation emerges for anyone who is not blinded by partisan propaganda: except for an increase in the competitiveness of our enterprises, none of the major objectives set by the government has been achieved. Indeed, neither the search for economic growth, based on the expansion of our exports and on an increase in investments, nor the struggle against unemployment, nor the recovery of the budgetary imbalance of the state, announced in December 1981, has achieved the promised results.

In spite of the sacrifices imposed on the people, the gross national product has continued to decline by 0.7 percent in 1982.

In real terms, that is to say in volume, the expansion of our exports, stimulated by the devaluation of the Belgian franc and by the drop in wage costs, has increased by only 2.4 percent, and, in addition, the improved competitiveness has been limited to the countries of the European Community alone, where, because of the exacerbation of intra-European competition, it runs the risk of strengthening the tendencies toward deflation in reaction to the aggressiveness of business.

It is probably in the area of investments that the government policy has suffered its clearest failure. In spite of the policy of "presents" to business, the volume of productive investments in Belgium has declined by 4.2 percent during 1982.

In spite of all the generous gifts from the government, handed out without any compensation, to businesses, the report from the National Bank shows a capital flight on the order of 140 to 160 billion francs in 1982...

Nobody disputes the fact that the development of international economic growth had a harmful effect on the Belgian economy in 1982. But the so-called economic recovery efforts embarked upon by the government were incoherent, indecisive and ineffective.

By the end of the year -- and this is written in the report from the National Bank -- 608,000 individuals were registered as job seekers, more than half a million of whom are now compensated as full time unemployed. Hence, during the reign of the Martens V administration, unemployment has risen by nearly 100,000 units.

The drop in purchasing power of workers and employees reached an average of 4.6 percent by the end of December. In enterprises in trouble, salary reductions on the order of 10 percent have been imposed.

And in contrast with the majority of the countries in the European Community, the rise of consumer prices has accelerated in Belgium, to reach 8.7 percent in 1982. What is particularly shocking is the fact that income from labor has been seriously curtailed, while income from property has never stopped growing.

Thus is revealed the incredible cynicism of the government, which demands harsh sacrifices from workers, the middle classes, and entrepreneurs, in the name of the common interest, but which exempts the owners of capital, who continue to benefit from the accumulation of their financial resources.

And then there is the budgetary section. Here, the government had committed itself to reduce the deficit balance of the state by 50 percent over a period of 4 years.

In fact, the state's budgetary imbalance has not improved very much. In 1982, net financing needs still represented more than 16 percent of the national product.

Furthermore, the government's budgetary policy remains thoroughly contradictory. On the one hand, drastic reductions have been imposed in vital sectors, and the personnel of the public services have been heavily called upon. As a matter of fact, public investments have declined by 6 percent in 1982. On the other hand, veritable tax presents have been granted to enterprises and to certain categories of taxpayers under the pretext of recovery.

Simultaneously, in spite of all the liberal denials, the fiscal and para-fiscal pressure has never stopped growing, especially for the lower categories and for social benefit recipients. Indirect taxes are growing rapidly, while municipal taxation has just been freed...

And, while austerity, restrictions and retrenchments are being advocated, scandalous waste persists.

The purchase of additional F-16 airplanes, which are useless from a military standpoint, is a striking example of this. Minister Dehaene's new generosity in favor of hospitals, including 1.1 billion francs per year for a period of 30 years to the Caritas Catholica group alone, have been added to this astounding policy of double weights and double measures.

Another cynical example of this policy: the resurrection of INBEL [Belgian Institute of Information and Documentation] (an institute which had been abolished by the previous government for reasons of economy) with hundreds of millions of francs. It is true that the spokesmen for Messrs Martens and Gol deserved this little effort.

All of this confirms the bankruptcy of the neo-liberal recipes. It is high time to bury this monetarist, simplistic and elementary doctrine if we want to keep it from burying us.

Only a voluntarist policy, coordinated at both the European and the world levels, but resting on an expansionist policy based on a concerted effort toward recovery, toward the equitable redistribution of the efforts required and of the results obtained, in view of a thorough restructuring of our economy, constitutes the road to salvation.

If we believe that we have to wait for the automatic functioning of the market laws alone to solve our problems, then, for a long time to come, we will continue to play the role of Sister Ann who doesn't see anything coming.

8463

CSO: 3619/54

NATIONAL BANK REPORT SEES SLOW ECONOMIC RECOVERY

Brussels LA LIBRE BELGIQUE in French 17 Feb 83 p 3

[Text] The National Bank of Belgium [BNB] has just published its 1982 report, the first since J. Godeaux was appointed governor. This document barely comments on the devaluation of the franc in February 1982, whereas in previous years it scrupulously highlighted all the dangers inherent in an operation of this sort.

The National Bank's recent report is in fact essentially a balance sheet of the world economic situation, and more specifically the situation in Europe and Belgium. It is a generally unsatisfactory situation, but does have some positive aspects for Belgium at least, for the first time in a number of years.

Except for the employment picture, the major imbalances that have undermined the Belgian economy are not getting any worse. Instead, following various governmental measures, we are witnessing the start of a recovery. However, as the BNB points out, "there is no doubt that the recovery phase will be gradual and long."

Since the first oil crisis in 1973, there has been a decline in real income in our country, caused by the sudden deterioration in the terms of trade, which itself was very unevenly distributed among export firms and individuals and firms in the "protected" sector. The relative deterioration in income of businesses in the "exposed sector" was reflected in insufficient profits, resulting from a weakened competitive position. This in turn led to reduced activities and hence job losses. These were added to the consequences of the efforts of businesses to rationalize. And, the government could not ignore the consequences of massive unemployment. It therefore had to increase its expenditures much more quickly than its revenue, causing the imbalance in government finance to grow at an excessive pace.

Nevertheless, in 1982 the current balance of payments deficit began to decline and the government deficit stopped growing. This is the first encouraging sign, as are the Bank's fragmentary data, which seem to indicate that Belgian producers have begun to gain export market shares.

In general, businesses have begun to recover. In 1982, their income went from 6.5 to 7.9 percent of the national product, coming back up to a level that they had not attained since 1974. Since the sales volume is still contracted, this improvement is attributed primarily to a recovery of selling prices and a moderation of costs. At the same time, total primary gross income of individuals in real terms, about 70 percent of which is made up of direct and indirect wages, declined by slightly more than 2 percent. Only savings of individuals climbed somewhat in 1982, but less than in 1981, because of a decline in interest rates, among other factors. While individuals' propensity to save increased in 1981, despite an initial reduction of their income, in 1982 they tended to consume rather than save.

Return to Equilibrium

National income is again being channeled in favor of business. This is particularly important in the eyes of the BNB, since the restructuring of industry depends on a boost in investments to expand production capacity. This is a prerequisite for developing new businesses, which will create new sales currents abroad, will provide import substitutes, and finally will restore jobs which will ease the government finance situation and will give a boost to earned income, as opposed to income borrowed abroad.

For the time being, the country is surviving largely on the government's foreign borrowing. The government financial deficit is not getting any worse, but it cannot yet be fully reabsorbed. As the National Bank noted, the recovery effort can only be gradual. Based on the government's own expenditures and transfers, a structure of activities, jobs and income has been built. This structure has "undergone excessive growth, aided by the excessive expansion of government spending." Today this structure is an important spending link, which supports business activity.

It is only by developing other activities that the situation can be corrected. In the meantime, there is the problem of financing the budget deficit. The National Bank strongly advises against any increase in taxes, at least a direct one. It also stresses the disadvantages of the two primary methods of government financing: recourse to BNB credit or borrowing in foreign currency abroad. According to the Bank, the solution should be found instead in funds from national savings, in Belgium or elsewhere, "collected under conditions that take into account the real or anticipated attraction of similar placements abroad."

As regards employment, the BNB is just as direct in strongly emphasizing the importance of the construction industry to the Belgian economy. It points out that construction lost 65,000 jobs in 1982, after having already seen 85,000 disappear the previous year. It also points to the reduction in the share of real estate's share of national savings, thereby seeming to suggest two priority areas to the government: attracting Belgian capital wherever it may be; and, a boost for the construction industry.

Relatively Optimistic

For the rest, the BNB seems to be even relatively optimistic, provided the efforts begun in 1982 are sustained. It concedes that the immediate fate of the Belgian economy is very much dependent on the world economy, and that the international recessions has cheated it out of part of the fruits of its efforts. But it also points out that Belgium is only a small country, whose exports frequently represent only a marginal supply in comparison with the demand of larger markets. This leaves a certain room for our exporters to maneuver, provided they continue to improve their competitive position.

9805

CSO: 3619/51

NEW MANAGEMENT AT MBB RAISES HOPES FOR REVITALIZATION

Duesseldorf WIRTSCHAFTSWOCHE in German 28 Jan 83 pp 48, 49, 52, 54

[Text] On Thursday of last week the signals at Messerschmitt-Boelkow-Blohm were changed: A new man at the helm is supposed to bring the drifting German air and aerospace group upwind again. The first victims will be executives.

According to the official version, the meeting of the MBB Board of Directors was conducted "exceptionally harmoniously". The prolonged duration of the discussions and their results make it extremely difficult to believe that--none of the protagonists could have been very happy in their roles.

The 57 year old Graduate Engineer, Hanns Arnt Vogels, who, up to the end of the year 1982, was general partner and managing associate of the Flick Group, was elected unanimously by the Board of Directors as the new chairman of the Board of Directors of MBB. And he also believes that he has the qualifications for the large German air and aerospace group--with about 5 billion Marks in sales and almost 39,000 employees--to give it the badly needed disciplined organization. In private talks, however, he views the problems totally without illusions; "First of all, responsibility of the company management must be restored once again throughout the entire company, even up to the individual departments. Personnel changes or new arrangements in the areas of responsibility will certainly not be avoided." The contract of the 54 year old Gero Madelung, hitherto chairman of the board, was extended for another 5 years. However, Madelung had to accept that he was, in fact, pushed back down a rung on the ladder. In the future he will be a deputy chairman, together with his former deputy Sepp Hort, "responsible for military aircraft construction and the management of the aircraft department", according to the official statement.

With that, it was demonstrated to Madelung, who was, moreover, promoted in 1978 only as emergency candidate to head of the group after the helicopter crash of Boelkow's successor Helmut Langfelder, that he was indeed esteemed as a technical expert--Madelung is also Professor Emeritus of Aircraft Construction at the Technical University of Munich--but that no one credits him any longer with the management abilities for the new structuring of the group. That is also difficult for the nephew of aviation pioneer Willi Messerschmitt to accept. At least the fact that he brought the firm "through the horribly difficult merger negotiations with VFW" and that MBB "went through an enormous growth period under my management" is what Madelung would like to see credited to his management record.

Madelung concedes to his successor "the great advantage that he, as a new man, can certainly produce things which the old leadership, limited by a certain company blindness, could not put into action."

Alois Schwarz, as chairman of the employees committee, also as deputy chairman of the Board of Directors, has achieved at least a partial victory. Up to now, the lines between company management and the employees committee were completely rigid. The meeting of the Board of Directors was postponed repeatedly at the end of last year due to this. Now it is generally agreed that, in 1983, no plant shutdowns will take place and that, for this year, a personnel reduction of about 2,500 employees will be agreed upon, if possible without large scale layoffs. At least half of the reduction will be accomplished by natural fluctuation and by means of parttime work or reduced workweeks.

However, the statement after meeting of the Board of Directors left no doubt about it. The problem of the threatened layoffs is only postponed. In the official announcement it is reported: "Until the next meeting of the Board of Directors, the company management will submit a new proposal on the measures to be resolved. Layoffs are postponed until that time."

So Schwarz knows quite well that the long-lasting problems at MBB, especially in the personnel department--caused in part by the merger and the overproduction resulting from it; also caused partially by the Tornado disaster and the slump in the Airbus business--were not eliminated. Nevertheless, he hopes that he will be able to bring about "the attainment, with the new chairman, of the needed discipline and shift in MBB's activities in the course of balancing interests."

Schwarz sees Voegls' basic concept--to shape and tighten up the company through the introduction of a linear staff structure--instead of the vertical used up to now--as well as a stronger return to civilian product and processes departments, emerging slowly from the military/technological monoculture practiced until now--as "largely identical with the proposals of the full Shop Committee."

Max Streibl, the Bavarian Minister of Finance and chairman of the MBB Board of Directors, certainly took a step forward with the appointment of Hanns Arnt Vogels in his attempt to free the group from its traditional malaise, which has become even greater as a result of the merger with VFW. However, with what means, and for how long a time period, he will be able to eliminate the defects cemented into the group--badly functioning organization, uneconomic production, lack of control mechanisms, nonuniform personnel policy and cost accounting, deficient criteria for objective production measurement, overcapacity in personnel, in development, production and data processing--is still unknown.

Max Streibl has no other choice than to place hope in the "varied talents and abilities of the experienced manager, Vogels."

The stormy condition of MBB was already revealed upon the publication of the company report of 1980. Madelung had to admit to the press that "There are clouds in the horizon, and this does not mean small atmospheric disturbances."

His Financial Director, Johannes Broschwitz, expressed it more concretely: "Viewed by itself, the year 1980 was certainly still good. But it did not yield the reserves which we actually need. The high financial costs of Airbus production prevented this." Broschwitz then spoke of the need for a "prudent personnel policy in all company departments." But Schwarz immediately declared his "strongest opposition" to any possible layoff plans.

At the end of 1981, rumors increased concerning a necessary large layoff of personnel. Uncertainty grew amongst the employees. However, as late as the start of 1982, Madelung tried to lead his men to new shores: "In the past, and even now, we have always had innovative ideas. What we need, above all, are enterprising employees to put over such programs profitably." That the increase in productivity might become a question of the survival of the company, he also certainly did not conceal: "An icy wind is blowing."

"Considerable future risks" were already perceived by the company management in the summer of last year. The merger carried out between MBB and VFW, under pressure by the Federal Government will lead to positive rationalization effects after 1985 at the earliest. Until that time, the gradual integration means a not insignificant burden.

These internal digestive difficulties take place at the time of a worldwide recession. The Airbus program, whose sales results seemed to assure for many years a very hopeful perspective of a guaranteed outlet in the civilian sector, is flagging. Certainly, the present order backlog will last into the year 1985, but, following its rival, Boeing, the Airbus manufacturers also had to suffer from the serious falloff in world air business. Instead of the 45 planned, in 1982 only 17 European Jumbo machines were ordered. And, just like Boeing, the Airbus Industry also has not been spared order cancellations. It was still planned last year to increase the Airbus production rate to eight machines per month through 1984. The falling sales, however, caused the output to be frozen at about five and one-half machines per month.

The North German MBB group department at which the German section of the Airbus is being built would probably be obliged to bear the main portion of the personnel cutback. Some 1,500 to 2,000 employees will be laid off in the Hamburg-Bremen area this year alone. At a plant meeting in October, 1981, many employees correspondingly arrived in a closed demonstrative formation in the Meeting Hall: "In order to give you an idea of the number of affected fellow-workers!" declared employees committee member Heinz Henk. And his co-worker, Guenther Hanebuth, fired heavy salvos against Bonn: "Whoever wanted the Airbus must also acknowledge its problems."

Johann Schaeffler, head of the MBB Department of Transport and Commercial Aircraft, who, for a long time, was viewed as the potential successor to Madelung, however sees no improvement in the use of capacity in Airbus production before 1985. In addition, the hoped for rationalization effects by that time would enable "a upswing appearing at that time to be handled with fewer employees."

Airbus production is certainly not the only problem area of the group. In the Augsburg plant, in which the fuselage mid sections of the European "Tornado" fighter plane are being built, a warning strike occurred on 18 January against the reorganization concept of the company management. "Refrain from any negative personnel measure" was demanded in pamphlets. Nevertheless, several hundred jobs there are in jeopardy.

The Tornado shipments were stretched out in time because of Bonn's budget problems, and no follow-up order is in sight for the future. The European fighter plane, under discussion for years as a replacement for the obsolete Phantom, has still not taken concrete shape even in the minds of the Luftwaffe leaders.

That is not all. In the helicopter area too, the lucrative Army orders, which can not be made up for by civilian sales, are running out. The Bonn decision, delayed for years, on a new anti-tank helicopter is still pending. Even the guided missile area, which for a long time had to help finance with its large profits the needy areas of the MBB Group, must now count on inroads.

In aerospace as well, in spite of a few noteworthy orders last year, the use of capacity can be maintained only with effort. MBB sought to compensate to some extent with its own resources the massive reduction in Bonn funds for Research and Development. In 1982 alone, 190 million Marks were paid out. Nevertheless, in the summer of last year, it was stated with foreboding in the report on the status of the company that "There already exists a short-term danger that certain research and development potentials will have to be reduced below the minimum capacity."

A tiny ray of light in the gloomy picture was let in by Madelung, as recently as last Thursday: MBB is "in no way" in financial difficulty. The company will show a profit for 1982.

Up to 6 March, at the time of the Bundestag (German Federal Parliament) election, peace will enter MBB for the time being. However, at that time, new problems could arise, for the company, which is highly dependent on arms production, depending on which guidelines for arms export the next Federal Government decides on.

Six March is also of interest to MBB for another reason. Should the present Bavarian Prime Minister, Franz Josef Strauss, move to Bonn subsequently, Streibl could be the new Prime Minister of Bavaria. At least, at present, he is regarded as the most promising candidate to succeed Strauss. And it is not to be expected that Streibl would hurt his political career by massive layoffs at MBB. In addition, the SPD governments in Hamburg and Bremen could not have any interest in ruining their chances for election because of new disturbances at MBB before 6 March. Moreover, the hope still remains that, when the national economy picks up, the aircraft market will be revived. After all, there is a considerable pent up need for replacements in the airline companies.

INFLATIONARY TENDENCY NOTED; FEARS OF CREDIBILITY ABROAD

Athens I KATHIMERINI in Greek 6-7 Mar 83 pp 1-2

[Text] A barometric low of an inflationary wave is now developing over the economy of Greece and worries the economy ministers, who had hopes that with the clearing up of the question of the bases and the matter of the EEC, our country would be able to break the ring of isolation and to synchronize its steps with the European economy which has already begun to recover. Inflation in the countries of the OECD has now subsided to the low levels of the pre-1979 petroleum crisis and this gives the governments the ease to implement, without worry, a policy to strengthen their economic activity.

In the meantime, a new threat, which also weakens the forecasts for recovery of the Greek economy, is making itself manifest after the noisy reappearance of PASOK's party machine, which took place under the pretext of the "preparedness exercise" and which provoked serious negative repercussions in the manufacturing classes by awakening nightmarish memories.

The party machine which, after the notorious attack by Mr. An. G. Papandreou, had retreated and remained in the background for several months, has made a stronger comeback by actually enlisting the forces of the two KKE's and has shown that it claims power over the parliamentary representation and especially over the government. As a result, a new dynamic intervention by the premier will be required in order to reestablish the balance within the centrist coalition found in the government.

However, in addition to the serious shock suffered internally by the credibility factor, there were serious repercussions among foreign investors and this fact was especially disturbing to the economy ministers, who, more than anyone, are conscious of the fact that without attracting funds from abroad no investment program worth mentioning can be implemented.

According to reliable sources, the economy ministers have already been warned that several foreign banks, which will be part of the cartel covering the loan of 550 million dollars that is currently being negotiated by the Bank of Greece in London, were disturbed by the wires of foreign news agencies concerning rumors about a coup in Greece. These banks began asking for information from the big banks which are managing the loan as to what exactly was happening.

Naturally, the credit potential of the country remains high and there is no chance that we will not be able to obtain the loan even though the terms could have been much better without these rumors. However, though, maneuvers such as those of last weekend create traumatic situations for the country's prestige and, for this reason, economic observers insist that it is inconceivable for the government to chart its policy with such short-term goals (for example, to weather the question regarding the bases with the least partisan losses), and ignore the long-term negative consequences of the measures it is taking.

Inflation

However, to return to the threat of inflation, we report that, according to our sources, the minister of National Economy, Mr. Ger. Arsenis yesterday received a painful surprise when he found on his desk the confidential bulletin of the Statistical Service informing him that the wholesale price index had risen to approximately 6 percent in January as compared to only 1.3 percent for the same month the year before.

According to the expert's estimates and based on data on hand, the February index will show a rise of about 4 percent and at least a 2-3 percent rise in March. Therefore, we will already have, during the first three-month period an increase in the wholesale prices of at least 12-13 percent, which will gradually begin to be passed on (with a two to three-month time lag) to the retail prices. This will make the retail price index shoot upwards and, at the same time, will burden it with the increase in the price of services, which are not computed in the wholesale price index.

The threat is serious because, should the inflationary wave not be checked properly, the administration could panic and thus resort to an austerity policy, which will virtually eliminate all hopes of recovery even before they are born. Let it be pointed out that the government has made all its calculations according to the plans of its economic policy with the premise that during the current year inflation will be kept at levels lower than those of last year, that is, below 21 percent.

The rekindling of inflation, which is the consequence of the devaluation, can only be fought with the increased supply of goods and the reinforcing of the competitiveness of our products, both of which are surely based on the premise of ensuring a climate of trust so that private enterprise can march into the battle of production with enthousiasm.

The last sampling has already shown that the devaluation of the drachma has strengthened the anticipations of the industrial sector and improved the business climate.

It would, therefore, be tragic now that certain hopes appear on the horizon, for the inflexibility of certain ministers (such as that of the Alternate Minister for National Economy, who, only day before yesterday in the Chamber of Deputies, attacked private enterprise without being able to demonstrate the advantages of cooperatives) and the activities of para-governmental officials, to create an asphyxiating climate which, would cut Greece off from a Europe which is boldly entering the road to recovery.

The funds which will finance the recovery appear assured, of course, so long as incidents such as that of last weekend are not repeated. Beyond what an agreement on the bases may bring, reports from Brussels indicate that the EEC's counter proposal to the memorandum is the mobilization of its financing apparatus in order to support our investment programs.

Mr. Papandreou, who will be apprised of the Community's intentions during the Summit Conference in Brussels on 21-22 March, would rather curb the activities of the inflexible elements in his government.

9731

CSO: 3521/246

DETAILS ON LARGE EUROMARKET LOAN

Athens I KATHIMERINI in Greek 11 Mar 83 p 2

[Text] The contracting for a loan, up to 500 million dollars, was entrusted by the Bank of Greece to ten foreign banks. The duration of the loan was fixed at seven years with a four-year grace period with an interest rate equal to the interbank rate for Eurodollars in London plus $5/8$ of one percent. It is noted that the interest rate of last year's foreign loan included only an additional $4/8$ of one percent, which is more favorable than this year's; this is, by no means, a comparison. Greece is the first country to contract a loan from the Euromarket in 1983 while Denmark and Sweden were forced to turn to a mixed market (Euromarket-USA) at a higher cost. Soon Spain and Portugal are expected to turn to the Euromarket and then, depending on the interest rate they will be able to obtain, it will be possible to judge how favorable the terms of the new loan of the Bank of Greece actually were. In any event, it is expected that the Greek application for a loan will be well received by the foreign credit institutions because the credit potential of the country remains at high levels.

It must be noted that the balancing of foreign borrowing of the country (needs for loans) is calculated at 1.6 billion dollars, including the 500 million dollars of the aforementioned loan.

The ten banking institutions, to which the contracting of the loan was entrusted, are: Bankers Trust and Citybank of the USA, Bank of Tokyo, the Daichi Kongyo Bank and Sumitomo Bank of Japan, Nova Scotia and Orion Royal Bank of Canada, the Kuwait Foreign Trading Contracting and Investment of the Arab countries and Lloyd's International of England.

9731

CSO: 3521/246

SHIPPING INCOME DOWN

Athens I VRADYNI in Greek 10 Mar 83 p 3

[Text] The shipping foreign exchange income for 1982 was 9.4 percent lower as compared with last year's exchange.

According to the provisional data of the Bank of Greece, the foreign exchange income for 1982 was 1,655,000,000 dollars as compared to 1,826,000,000 dollars in 1981.

More specifically, our country's foreign exchange income for last December reached 147 million dollars as compared to 200 million dollars for December 1981, thus down by 26.5 percent.

The number of unemployed merchant seamen reached 14,089; 7,059 of whom are receiving benefits from the unemployment fund.

There was a rise in the number of layed-up ships lately. Until yesterday, 740 ships were layed-up with a total capacity of 14,337,006 gross tons. Of these, 631, with a capacity of 10,736, 485 gross tons, fly the Greek flag.

During the seven-day period of 3-9 March, there were seven ships registered as chartered in the Greek registry, with a total capacity of 122,924 gross tons, while two, with a capacity of 7,105 gross tons were stricken from the rolls of the chartered ships.

9731

CSO: 3521/246

WORKERS PRESS SALARY DEMANDS WITH STRIKES

Work Stoppages Called

Madrid EL PAIS in Spanish 25 Mar 83 p 1

[Text] Nearly a half a million workers plan to engage in work stoppages of varying durations, mostly during Holy Week festivities, as a means to exert pressure in the negotiation of their respective collective bargaining agreements. Unlike last year, when the primary demand—expressed in the National Employment Agreement [ANE] by labor unions, management organizations and the government—was the preservation and creation of jobs, in 1983 the battle is shaping up around pay raises to alleviate the high cost of living.

Among the conflicts, the most notable are those involving the workers of the National Health Institute, the hotel workers of Seville, and bank employees, because of the direct impact they have on the public. The government may intervene in the latter dispute with a decree on minimum service to ensure that bank offices will stay open. The technical health assistants (ATS) will decide today whether to engage in a "wildcat" strike, refusing to show up at hospital centers.

Numerous businesses (the workers at Moreda yesterday renewed their protest actions in Gijon) and sectors such as the shoe, metal and shipbuilding industries, are also experiencing severe strife. Twenty miners locked themselves in to the Santa Comba tungsten and tin mine (La Coruna) to voice their demands, and have threatened to blow up the passages if management asks the Forces of Public Order to remove them.

The number of workers that have already signed their contracts is 1,304,699, for an average pay raise of 11.34 percent, according to the CCOO.

Workers To Strike

Madrid EL PAIS in Spanish 25 Mar 83 p 49

[Article by Rodolfo Serrano]

[Text] Madrid—Nearly a half a million workers plan work stoppages of varying lengths, most of which will coincide with Holy Week, because of the negotiation of their respective collective bargaining agreements. The differences between the pay offers by management and the union's demands are the primary cause of the actions. Among the conflicts, the most noteworthy are those of the National Institute of Health (INSALUD), the hotel workers of Seville, and bank employees, due to their impact on consumers. The government may intervene in the latter dispute with a decree for minimum service. The number of workers that have already signed their agreements is 1,304,699, for an average pay raise of 11.34 percent, according to the CCOO.

Of the various strikes called, the most important in terms of the number of workers involved is the one begun yesterday by the personnel of INSALUD, affecting some 200,000 workers. The strike, promoted at first by the CCOO, has also been endorsed by the UGT, which issued a communique yesterday stating that the decision was made because of the unacceptability of the offer made by the administration.

The impending strike in the banking sector is unique because of the repercussions the work stoppages will have on customers, given that the strike has been called on the eve of Holy Week and payday. Actions are scheduled to begin on the 28th, and will last through the 29th and 30th. In this case as well, the wage issue is basically the root of the conflict. The Spanish Private Banking Association (AEB), representing management, has offered a 9.5 percent pay raise—the lower end of the scale agreed upon in the Inter-Confederation Agreement—claiming that from the outset it has to deal with an increase in wage costs of 5.2 points because of the automatic growth of the payroll.

Three labor organizations, the UGT, the CCOO and the Federation of Independent Credit Workers (FTIC), have asked for a 12.5 percent pay raise, as well as other demands related to the work week. The AEB's decision to provide minimum service during the work stoppage has led the labor unions to accuse it of anti-union and unconstitutional practices.

Juan Vazquez, of the CCOO Banking Federation, explained yesterday that the unions had held a meeting with the banking organization, at which they had discussed the matter of minimum services. According to these sources, the AEB regards banking as a public service, which justifies the guarantee of its functioning. The meeting ended without any agreement between the unions and the management organization in this regard. The CCOO has asked the government to intervene.

Justo Fernandez, UGT secretary general for banking, pointed out yesterday that the Council of Ministers that meets today could pass a decree for minimum service for the banking sector, which in his opinion should not happen because this is not a public service. According to Justo Fernandez, if such a decree were to be approved, the government would be forced to mediate the conflict, in accordance with the Workers Statute.

The shoe industry, with 58,000 workers, is beginning bargaining sessions with the same pay raise differential (9.5 percent and 12.5 percent).

Wage Demands

Other sectors and companies have called or carried out intermittent strikes, such as Femsa, ENASA and the National Aluminum Enterprise, Inc. (ENDASA). In the latter case, a 48-hour strike took place at the Aviles and Valladolid plants. In others, planned actions have been called off because of possible agreements, as in the large shipyards and the integral iron and steel industry. In the Seville hotel industry where a strike has been scheduled for Holy Week, talks have resumed. The director general of labor will mediate the gas station workers' dispute following the break-down of negotiations.

On this occasion, collective bargaining is focusing on the wage issue, principally because in most it is a question of revising the agreements signed under the auspices of the ANE, and because unlike last year's collective bargaining, the unions' strategy revolves around defending buying power. It should be recalled that the ANE gave absolute priority to the preservation and creation of employment.

In the contracts signed so far—a total of 111, according to CCOO data—an average pay raise of 11.34 percent has been achieved. Of the 1,304,699 workers affected, 1,089,309 are covered by sector-wide agreements. The work week is shrinking, especially in the company agreements, where 62.5 percent of the workers now have a 40-hour work week.

In general, no new jobs have been created, with the exception of the 6,000 Spanish National Railroads (RENFE) jobs. According to the CCOO, collective bargaining in the public sector appears to be especially hardline, which has provoked a wave of conflict. In this regard, the protests lodged by the iron and steel, shipbuilding, ENASA, ENDASA and health workers should be remembered.

Principal Conflicts in Collective Bargaining

Wage Differential (%)		Company or Sector	Area	Number of Workers	Days on Strike
Worker Demand	Management Offer				
12	5.3	Cointra	Alcala de H.	979	24 March, 6, 7 April
9	0	Femsa	State	5,200	29 March, 14, 26 April

12	10.5	Contratas	State	7,000	28, 29, 30 March
		Ferrovias			
12.5	9.5	Shoes	State	58,000	6, 12, 13, 19, 20 April
12.5	9.5	Banking	State	180,000	28, 29, 30 March
12.5	10.5	Insalud	State	200,000	25 March, 12, 13, 19, 20, 26, 27 April
11.5	10	Industrial	State	7,000	29, 30 March, 5, 6 April
		Refrigeration			
Wage and	0	Trillo, Nuclear	Guadalajara	2,500	22, 23, 24, 25, 29, 30
Working		Power Plant			March, 5 April
Improvements					
12.5	9.5	Hotels	Seville	8,000	27, 28, 29, 30, 31
					March, 1, 2 April

8926

CSO: 3548/298

MADRID TOUGHENS STAND ON WORKER ISSUES WITH EEC

Madrid EL PAIS in Spanish 26 Mar 83 p 47j

[Article by Andres Ortega]

[Text] Brussels--At the deputy-level negotiating session between Spain and the European Economic Community (EEC), Spain presented yesterday a new statement on Social Affairs. The statement, whose only innovation was its harsher tone, is the fourth in 4 years. So far, the EEC has remained silent on the most basic issues of this difficult chapter: the free circulation of workers and a transition period. The document contains phrases such as "it is necessary to advise," "reject," "regret," or "express surprise" at certain points.

Spain wants immediate guarantees of the permanence or stability of the Spanish workers who are already in EEC countries and for their families, and the implementation of a common social security system from the moment Spain joins. Everything would be reciprocal. The Spanish statement contains an implicit threat that as soon as Spain and Portugal enter the EEC, Madrid will limit the entry of Portuguese and Greek citizens in Spain to the same extent that the EEC limits the emigration of Spaniards.

Spain can absorb part of Portugal's unemployment, and that will be a bargaining chip. Spain has a jobless rate of nearly 17 percent; the average unemployment rate of the EEC is 11.1 percent. "The EEC's fear is unjustified; there can be no great migratory flows in this crisis," stated Manuel Marin, secretary of state for relations with the EEC.

Consultation with Unions

At a press conference, Marin, who chaired the Spanish delegation, explained that this document had been drawn up by the Ministry of Labor and Social Security, in consultation with two labor organizations, the General Union of Workers (UGT) and the Workers Commissions (CCOO). The document indicates that "income from earnings in Spain is greater, in some sectors, than that of the majority of EEC countries, and in general, is fully comparable to that of the most advanced nations" in the EEC.

Manuel Marin felt it was necessary to explain that the statement referred basically to the "charts," and that the differences between Spain and the EEC range between 0 percent and 5 percent, taking into account the relative currency differences in terms of buying power. The document also mentions "the undeniable contribution of Spanish workers to the birth and development of the EEC."

Yesterday Spain presented three negotiating documents: Social Affairs, Ceuta and Melilla, and Foreign Relations. Outside of this session, the unresolved problem of textiles and quantitative restrictions was discussed. The result was an approximation of the positions that could bring these chapters to a close next 25 March.

8926

CSO: 3548/298

KOHEN ON PROSPECTS FOR UNCUT U.S. AID PACKAGE

Istanbul MILLIYET in Turkish 3 Mar 83 p 2

[Article by Sami Kohen: "Seventy-Seven Cents of Aid"]

[Text] According to American Secretary of State George Shultz, the per capita cost of the military and economic aid envisaged for Turkey for the new fiscal year is 77 cents. Yet per capita spending in the United States for radio and TV is \$104, \$35 at the barber shop and \$21 for flowers...

Schultz revealed these figures in a speech he made in Atlanta last weekend. His purpose was to defend the new \$14.5-billion foreign aid package that the Reagan administration sent to Congress for fiscal year 1984 and to show that the amount is not so big as one might think when compared to other things that might be considered luxuries on which American citizens spend their money.

Looking at Shultz's figures, the new foreign aid program will cost each American \$43. This breaks down to \$12 for the Middle East, \$3 for the Caribbean (and 77 cents for Turkey).

According to America's chief diplomat, the cost of foreign aid is rather "modest" in comparison to other expenses. Nevertheless, this aid is of "vital importance" to U.S. security.

So Shultz is trying to use these figures and this argument to persuade Congress in particular and to prevent cutbacks in the new aid package. This is a Congress that is already grumbling about foreign aid and beginning to feel that it does not want to put this much money into it when the United States is troubled by recession and unemployment.

The money designated for Turkey which amounts to 77 cents per person in the United States is actually quite a bit higher than the amount of one year ago. In fact, projected aid for Turkey in the new foreign aid package is a total of \$939 million, plus \$755 million in military aid; \$230 million of the military aid and \$100 million of the economic aid are grant aid.

To be sure, this is more than Turkey requested. But the Reagan administration added on the requirements of the Turkish army in particular and decided to

nearly double the military aid of fiscal year 1983, thus putting Turkey in third place on the foreign aid list (behind Israel and Egypt).

At this time last year, projected military aid for Turkey for fiscal year 1983 was \$465 million and \$300 million for economic aid. Congress, however, was reluctant to approve the general foreign aid package and designated \$400 million for Turkey in military aid and \$245 million in economic aid, according to the "temporary budget" based on 1982 figures.

Last month the Reagan administration asked Congress for an "extra" \$65 million military and \$55 million economic aid for Turkey to make up the difference, but the atmosphere in Congress seems opposed to this extra aid.

This being the case, will Congress approve the \$939 million appropriation in the new aid package?

The truth is, if left on its own, Congress will say, "no".

The obstacles that may appear in Congress to this increase in aid to Turkey may be summarized in this way:

1. Those opposed to increasing foreign aid in general. As Chairman of the House Foreign Affairs Committee Clement Zablocki said recently, the general trend in Congress is, on the contrary, towards cutting back on foreign aid owing to the United States' economic problems of its own. Congress has failed to approve the administration's aid package for 2 years for this reason essentially, glossing it over with the "temporary budget."
2. The Greek lobby and its supporters who want the basis of aid to Turkey and Greece to remain the 10-to-7 ratio or want aid to Turkey reduced because of the Cyprus problem. Lobbies both inside and outside Congress have intensified their efforts in the past 2 weeks on the heels of the release of the foreign aid package.
3. Human rights advocates in Congress who, though comprising a small group, are critical of the regime in Turkey.

Initial debate on the foreign aid package including that for Turkey begins this week in the House and Senate subcommittees. The opponents of increased aid will launch their first salvos in these meetings. We know only too well how the members without definite views one way or the other, who think about the reactions of the voters, allow themselves to be swayed by campaigns of this sort in Congress.

That means both the Reagan administration and Turkey have important tasks to enable realization of the new aid proposal for Turkey.

The U.S. administration has to keep tight control over this from the very beginning and lobby Congress on behalf of the White House just as it has occasionally for other countries. It is impossible to persuade the members of Congress and the American public with one speech that Shultz made in Atlanta.

Leaders such as Reagan, Shultz and Weinberger must bring their full weight to bear for approval of the aid as is.

Turkey, in turn, has to launch an extensive publicity campaign to influence American public opinion and Congress. In particular, Papandreou's apparent antipathy towards American public opinion lately may facilitate breaking the hold of the Greek lobby. Turkey may, without compunction, use its important regional position as a persuasive element.

However, getting the bill through this time without cuts is first of all the job of the Reagan administration. It is the responsibility of Congress, too, to take into account the kind of influences recently improved U.S.-Turkish relations will come under if this does not happen.

8349

CSO: 3554/182

ANKARA CONTINUES HARD LINE IN DISPUTE WITH EEC

Istanbul DUNYA in Turkish 3 Mar 83 p 1

[Article by Taylan Erten: "Turkey Will Reject EEC Invitation to Partnership Council"]

[Text] The European Economic Community's invitation to a limited council on its textile and cotton yarn problems with Turkey was turned down. The EEC was informed that we would not attend the Brussels meeting on 11 March unless the proposed agenda included, not just commercial disagreements, but such matters as agriculture, including the \$600 million in aid, and freedom of movement of workers.

The EEC had conveyed to Turkey some time ago a request that existing problems be taken up between the sides at the conference at the ambassador level. It had been stated in conjunction with this invitation that the meeting in question would deal with restrictions on Turkish textile products and the Iron-Steel Import Duty imposed on the EEC by Turkey and that "Turkey may bring other matters to the table if it wishes" under the agenda item "Other Problems."

This meeting reportedly "will be of no benefit," as the EEC Commission drew up the agenda for the Brussels meeting without taking into account the views expressed by Turkey earlier. According to information obtained, Turkey wants the "Other Problems" item on the 11 March agenda to be more specific. In criticizing the EEC's placing matters other than textiles and cotton yarn but which fundamentally affect relations under a "vague" heading, authorities say this attitude may be interpreted as "not intending in fact to resolve the problems."

Along with the textiles, cotton yarn and counter duty problems, Turkey wants these matters placed on the agenda of the 11 March meeting: activation of the \$600 million in aid in the framework of the fourth financial protocol which has been under suspension by the community since 1981, agricultural problems, problems related to the freedom of movement of Turkish workers in EEC nations, the accord required to be signed between Turkey and Greece upon the latter's joining the community, the anti-Turkish problems created in the EEC by Greece over seedless raisins, and activation of economic integration projects amounting to 75 million European monetary units.

Developments

Developments leading up the ambassador-level council meeting on 11 March proposed by the EEC are being assessed as a concrete indication of an attitude on the part of the community vis-a-vis Turkey to "gain time and let the problems take their course."

In talks in February between Foreign Minister Iltis Turkmen and West German Foreign Minister and EEC President Pro-Tempore Hans Dietrich Gensher, it was envisioned that all problems between the sides would first be taken up and examined technically in a council meeting at the ambassador level and later resolved in the Foreign Ministers' Council.

However, the community went back on this agreement and changed its mind, taking a hard line. First it requested that limited talks be held on textiles and ready-to-wear between the community and a private-sector delegation on 28 February. Then it announced that it "would not deal with the private sector delegation and the Turkish Government must give assurances on restrictions." Next it issued the invitation to a council meeting with a limited agenda at the ambassador level, intending to keep the scope of it within the framework of its own desires. Meanwhile the community had unilaterally announced import quotas on textiles and various garments, forcing Turkey to concur.

Asked their views, authorities said that "Turkey, being determined to protect its own interests, favored dialogue," and added that "if equal negotiating conditions were created, there would be no reason it should not attend the 11 March meeting."

8349

CSO: 3554/182

KAFAGLU ON REVITALIZATION OF BANKING SYSTEM

Istanbul DUNYA in Turkish 22 Mar 83 p 1

[Text] NEWS CENTER - At the seminar Evaluating the Turkish Taxation System, organized by the Financial section of the Istanbul University Faculty of Economics, it was stressed that the aim of the state in taking over the Istanbul Bank and Hisarbank was to return those banks to the economy with a new and sound administration, to reinforce their financial structure, to safeguard savings and to inspire the people with total confidence in the whole banking system.

Adnan Baser Kafaoglu, who was unable to attend the seminar, sent a message, noting that the reforms which had been implemented in the Turkish financial system would ensure the possibility of developing a healthy economic and financial structure and that he believed 1983 would be something of a "critical year" for the period lying ahead.

Kafaoglu, who explained that their aim where the banking system was concerned was to create an organic bond between capital structures and the volume of formalities and to help banks attain a structure which would make resources available to all areas of the economy, also said: "In the attempt to increase voluntary savings, together with the readjustments implemented in the money and capital markets, compulsory savings were also resorted to."

Kafaoglu said that, as a result of the economy being subjected to high inflation levels, enterprises had suffered severe structural damages as well and spoke to the effect that "in order to eliminate those undesirable developments, in addition to the changes made in the Taxation Method Law at the beginning of 1983, solutions were found to the capital, liquidity and credit problems plaguing enterprises."

12278

CSO: 3554/213

DISCUSSION OF BANKING HEALTH KEY TO LOWER CREDIT INTEREST

Istanbul CUMHURIYET in Turkish 20 Feb 83 p 9

[Interview with Akbank General Director Hamit Belli by Osman Ulagay; 20 Jan 83, place not specified]

[Text] Who Is Hamit Belli

He was born in 1928. After attending Galatasaray Lycee, he was graduated by the Istanbul University Faculty of Economics. Belli, who also studied for some time at the Paris Law Faculty, joined Akbank as a trainee in 1955. He has served in various positions at Akbank from assistant inspector to general secretary. In 1981, he became general director.

Akbank General Director Hamit Belli is known as a "nontalkative" bank director. He consented to an interview owing to the 35th anniversary of Akbank's founding. Following is our interview with Hamit Belli, conducted on 20 January.

Question: Mr Belli, the founding and development of private banks in Turkey is, if I am not mistaken, something that became widespread primarily after World War II. Akbank, which is celebrating its 35th anniversary, was one of the first private banks established during that time. Would you briefly summarize this period for us?

Belli: During the 25 years between 1944 and 1969, there were 25 banks founded in Turkey. Three of them were public banks, which is to say 22 private banks were founded in this period. Ten of them folded, and Akbank, the Construction and Credit Bank and the Garanti Bank stand out among the ones still in business.

Question: Probably one development that gained prominence only in later years was when we saw the major capital groups move for full bank ownership and take the route of reviving certain local banks for this purpose. How do you look at this? Why would each group have the urge to own a bank?

Belli: The interest shown by our people in the banks in making the most of their savings and excessive demand for credit, albeit only temporary, gave the impression that banking was a very profitable and attractive field. Also, as

circumstances were developing, various groups better understood the importance of having a financial institution behind them, of seeking the support of a financial institution. Many financial establishments changed hands in this climate, and banks which had been of a local nature owing to government restrictions began operating in the large cities.

Question: Would you go into this a little further? What is the advantage to industrialists or capital groups in having a financial institution or bank behind them?

Belli: Figures in the current economy were seen to be approaching dimensions where the need for operating capital of rapidly growing firms would outstrip both personal and group capital. This was a strain and there was a great deal of casting about. This, I think, is the most important cause. That is, predominance of the thought that growth would be possible only by owning a bank. Second, certain advantages provided by having a foreign exchange position is a factor that should also be pointed out here.

Question: Moving from there towards developments of recent years, if we may, Mr Belli, there is this claim: They say certain groups used the banks they controlled as a means of growth as a group and, by failing to always abide by banking rules for this reason, put their banks in a difficult position. How much truth is there to this claim?

Belli: "No comment" [in English]; I do not wish to comment on that.

Question: There is also a claim that the banks made special deals with the firms in which they held stock, allowing them credit and various other facilities. What is your comment on that?

Belli: I do not agree. For example, the credit that the Labor Bank made available to its stockholders varies between 15 percent-20 percent of its total credit. At Akbank, too, we have a figure below 15 percent which is below normal. Let me say that we make no distinction among clients as to either credit percentage or rates. This is clear-cut. There can be no question but that our stockholders rely on their own bank. On the other hand, our doors are always open to other groups and their companies.

Question: Among the problems besetting banks in recent years, nonrepayment of credit and even difficulty in collecting interest have been stressed. What caused this in your opinion?

Belli: Rising credit costs primarily. Declining demand as regards the firms themselves, shrinking market resources and, despite this, the continued need for credit to survive created problems in industrial operations, in particular. Let me say here, you see, it is not so bad in the others, that is, in trade and for dealers and it is not so bad for firms in Anatolia. They can either withdraw from the marketplace or adjust. But the situation is different in industry; borrowing at high interest to stay alive there creates problems.

Question: Our faulty industrial structure most likely has something to do with this also....

Belli: The economy was such as to make this possible; these firms were set up like this. They were told, "Come on, take these resources and use them," and that is how they were set up. The same thing happened in foreign credit; the state said, "I'm taking care of the exchange rate difference," and they were set up accordingly. Likewise in interest rates. Then when these conditions were completely reversed, it was naturally a strain on certain firms. Let me say this, however, the situation today is better than it was last year. Our collection of interest, for example, is easier today than a year ago. While some firms were liquidated, others began to adapt to the new conditions. I think the situation will improve further this year.

Question: One thing that put a strain on the banks in the past period, I think, was the interest race. How did this race get started and was it inevitable in your opinion?

Belli: The leading cause, of course, was interest deregulation. We did not favor it and asked that control be retained in some cases. But that did not happen. When interest was deregulated, the marginal banks launched an effort to increase their resources, a contest for deposits, both in order to keep themselves alive and out of greed for growth. In my opinion, the whole thing started with the effort of these marginal banks.

Question: How? That is, would you go into this point a little further?

Belli: The basis of the banking system is full compliance with the rules and regulations. If little infringements begin and are condoned, the entire system is hurt by it. In the interest war, certain banks ran interest up, initiating unfair competition. This also damaged their financial structure. Moreover, these banks were not fulfilling their obligations to the Central Bank and they all came out with unhealthy bank balance sheets. For example, the serious banks complied with the 15-percent available funds rule, while some banks kept only 3 percent-5 percent. Some banks, likewise, were not paying their legal reserve funds to the Central Bank. Now, as long as these practices are condoned, the bank that follows the rules is the one being punished and pushed into the red and the one that does not follow the rules makes a profit. And, of course, there are the brokerage incidents...

Question: Did the brokerage incidents have a negative impact?

Belli: The brokerage incidents shocked the banking system. Some banks had gone into cooperation with brokerages and these banks were put in a bad situation. Actually, one must group the problems of the banking system into two categories: (1) the special problems of the banks, both large and small, that were primarily in league with the brokerages and (2) the general problem faced by the banking system as a whole owing to the cost of resources. The Finance Ministry and our government took serious steps at the end of 1982 to resolve the general problem that is, the one related to the cost resources. But the

special problems of the banks that were in league with the brokerages and weakened their structures cannot be resolved in the short term, in any case.

Question: I would like to ask one thing here before we go on to the impact of the recent measures. Some argue that it is not realistic to expect banks with differing financial structures and of different sizes to compete under the same conditions, to run in the same lane. What is your comment on that?

Belli: I do not believe that different interest rates can be applied on the basis of variations and marginal firms within the sector; I do not go along with that. They got into this business which they should not have done to start with and this is where they are today. It is necessary that there be no subsequent salvage operation. What criteria would you set, how would you distinguish between the brokerages, how would you implement it?

Question: What are your comments on the recent measures concerning the banks, Mr Belli? What will these measures do for the banking system?

Belli: The system with the brokerages will certainly proceed better. Even though deposit interest rates have just come down a little, they are a little higher than inflation so resources will still come into the banks. On the other hand, revision of the available funds rule, of legal reserves, placing interest limits under control in a sense and making revaluation possible are all extremely positive measures. We will see the positive impact of them very soon.

Question: Some argue that these measures will not have much effect on the cost of credit, which is such a cause of complaint in the industrial sector in particular. Does it seem, in your opinion, that these measures will have a positive impact in reducing credit costs in the future?

Belli: The primary goal of these measures is to put the banking system in a better position, get it out of the crunch. The second goal, of course, is to correct credit costs. As soon as the first target is reached, we will be on the way to the second. Only let me say this: it is necessary to wait a little while longer, a few months, to see where the banks' resource structure will head with these measures. In my personal opinion, it will be possible to bring credit costs down after a while. And the positive effects of this will reflect on other sectors.

8349

CSO: 3554/165

EVREN ON NATIONAL ECONOMIC ASPIRATIONS

Istanbul CUMHURIYET in Turkish 13 Mar 83 pp 1, 11

[Article by Semir Yalcin]

[Text] President Kenan Evren, in a speech he made yesterday to the people of Adiyaman, said, "There are those opposed to our private sector, don't be deceived or duped by their negative propaganda."

Evren stated that many countries practicing full state control have realized the errors in this and have begun to turn away from this practice, and he said, "Look at the developed countries, they are giving more weight to the private sector. The private sector stimulates competition and raises quality on the condition that the state provides the infrastructure and control."

In his speech, President Evren stated the following:

"You know that Turkey is among the countries that suffered the least from the economic crisis. We are not the only ones who say this. Even unfriendly countries say so. There will be ups and downs in the development of countries. It is just that when a small obstacle appears we must not get it into our heads to change directions. We are struggling against not only those abroad who are opposed to the government but also against those at home who are working for the failure of the government. Unfortunately here at home we are also forced to fight those who air all sorts of malicious schemes hoping the government will not succeed. Those accustomed to making easy money, those who formerly had in their hands the fruits of power and who have now lost them and those foreign and domestic forces opposed to the government are making all sorts of efforts to wreck the Turkish economy. Our future is bright. Lets not have dark clouds cover over this brightness. Being Turkey, we are continuing to make every effort so that these dark clouds do not come. May God keep those dark clouds which are not with us from ever coming over our country. May our country be one where the bright sun always shines."

Evren, who said that the government has made every effort to develop Turkey, continued his speech by noting:

"With your support and approval these efforts will bear fruit despite those who are trying to upset them. Perhaps those who are complaining about the price

will be able to malign the government. But since day one prices have never fallen, they have always gone up. Let the old folks think about their childhood. I could not buy a pack of cigarettes today with what I used to get as salary. Because, on one hand, the population has grown and prices have increased in step with this."

Evren pointed out that there was much concern on the matter of deceitful production of goods, that the laws currently on the books were not of a nature to punish those practitioners of fraud to the extent that they deserve and he said, "A 1070 lira fine and shutting the shop for 3 days cannot solve this problem. It is for this reason that laws will be promulgated to deal with those who practice this kind of foul business." Evren then said the following about the private sector:

"There are those among us who are opposed to private enterprise. Don't be taken in by their negative propaganda. Today even countries which practice full state control have realized their mistakes and slowly have begun to abandon this method. If we look at the most developed countries in the world in which we live, we see that their development was accelerated by this method. In fact, they give even more importance to the private sector.

"The private sector cannot build the dams, power stations and other such big ventures. The state builds these. But the state cannot set up a gravy factory. If it is occupied with a gravy factory, it will not be able to carry out the big projects at that time."

Evren said that in development there were areas that were behind and that this could not be denied. Pointing out that these went back to the time of the Ottoman Empire, he said: "The places where we went in those times we did not exploit, we developed them. But Anatolia was neglected. Anatolia was taken up after the formation of the republic."

Evren explained that there were differences in development even among countries; that in some places there were many natural resources while in others there was none. "Thus there are countries that God blessed with wealth, in others hunger appeared. The world is so organized," he said.

Evren ended his speech as follows: "There were those people who, profiting from the backwardness, sought to inflame those regions. These kind of people will appear again in the future. Today's government will make the proper investments within the framework of the plan, in the areas which have seen the least attention. However, we cannot expect everything from the state, it takes time. Our fellow citizens who are private businessmen should join together and make investments; if the state and private sector were to compete in such a way, development would be hastened.

'PART-TIME' WORK DISPUTED AS TOOL AGAINST UNEMPLOYMENT

Istanbul DUNYA in Turkish 7 Mar 83 p 5

[Text] Istanbul (UBA)--The dean of Istanbul University's School of Economics, Nusret Ekin, has stated, "In spite of the fact that part-time employment is not a fundamental employment policy as it is not a part of the solution to the unemployment problem, it is a positive initiative."

Professor Ekin, in commenting to a UBA correspondent on a report by the "General Employment Commission" drawn up to combat unemployment, stated that part-time employment has been used in a number of European countries and he said:

"To an extent this means dividing up the work, in other words instead of laying off workers, the work is divided among the existing employees. Clearly this is not a fundamental employment policy. However, this means that for social reasons, instead of laying off workers, the work is divided among the existing employees. Basically this plan should be implemented by eliminating overtime work, shortening comparatively the work day and transferring personnel between organizations."

Professor Ekin pointed out that by making full use of industrial capacity which now is about 60 percent in use, there could be a large increase in employment without resorting to new investments. He also said, "part-time work, with the idea of its being a supplement to the resolution of the employment problem, is a sensible approach. Rather than resorting to unemployment, I find it positive to use existing employment in a more active fashion."

Not Applicable in Turkey

However, Turk-Is First Regional representative Ismail Topkar, opposing the part-time system, said that this plan cannot be used in Turkey.

Topkar, who pointed out that the part-time system requires specialization, said the following:

"There are not even 5,000 people in Turkey who would come under this system. This is because this system requires the specialized worker, yet we have a shortage of skilled people. Furthermore, the skilled people we do have essentially have been working part-time for a long while."

GLOOMY UNEMPLOYMENT, EMPLOYMENT STATISTICS FOR 1981-82

Istanbul GUNAYDIN in Turkish 3 Mar 83 pp 1, 11

[Text] Ankara--In our country where unemployment has reached 3.5 million, 250,000 people are reportedly added to this number annually and it is noted that the jobless have no hope of employment this year either.

The no-hiring rule is being applied assiduously in the public establishments in accordance with a Prime Ministry circular. Despite the ban on lay-offs, however, a large segment of the private sector is seeking ways to lay off workers according to a study conducted by the Ankara Chamber of Industry. Employers who obtain legal permission are doing so. In this situation, the ability of the unemployed to find jobs is being steadily impaired.

The number of people entering the workforce last year dropped by 50 percent as compared to the previous year. The sector with the highest hiring rate in 1982, as in previous years, was the "service sector."

Though the number of people entering the workforce in 1981 was 129,042, this figure dropped to 65,570 in 1982, thus registering a decline of up to 50 percent over 1 year previously in the number of new job holders.

Distribution of Workforce Entries by Sector

<u>Sectors</u>	<u>1981</u>	<u>1982</u>
Agriculture	4,094	6,910
Mining	5,133	4,237
Manufacturing industry	42,345	15,190
Energy	118	63
Services	67,339	39,170
Total	129,042	65,570

8349

CSO: 3554/181

COMMENT ON FUTURE OF HARD-PRESSED WORKER COMPANIES

Istanbul DUNYA in Turkish 24 Mar 83 p 1

[Text] The 156 companies founded with the savings of workers employed abroad are being rapidly pushed, especially in recent years, to a parting of the ways. The problems of these enterprises which are faced with the alternatives of surviving and developing or of sinking are taken seriously only at the discussion level while no concrete measures are in sight as yet.

The worker companies brought about an interesting unanimity of views between the technical and the economic sectors. All those involved in this matter agree that these companies must be "saved." But when it comes to an application of concrete solutions, the whole business is blocked by the barrage of economic and political decision-making mechanisms. Meaning that the state, which for years encouraged the founding of such companies, now seems to be bent on making the mistake of getting the savings of workers to pay, on a company basis, for its own errors, under the name of a "free-market economy."

Turkish people of rural origin who, quite unexpectedly, experienced the multiplication of industrially advanced populations, under the pressure of conditions beyond their control, attempted to materialize their subconscious wish for industrialization by investing their savings in those companies. In fact this kind of endeavor can bring about useful experiments by making it possible for the economy to achieve a broad and democratic foundation. It could add to industry sound and productive enterprises.

The problems of these companies, during the fairly long period of the January 24 settlement program, were perceived only as an administrative weakness. However, in the general economic crisis the worker companies, which suffered a series of difficulties and from inexperience, much more than similar undertakings, that ranged from choosing a suitable location to get established on to production and from marketing to financing problems, were in no position when it was a question of capital and capacity, to refute estimates which were, at the very least, not serious from the viewpoint of cost. In an economy which is experiencing acute limitations of resources, the responsibility for these companies which do not produce, cannot be operated, cannot sell and are left to the whims of groups with capital strength is not the shareholders' and the administrators' but the state's.

Within the context of the 5th 5-Year Development Plan, a report prepared by the State Planning Organization shows that the state is not inclined to give up such a "responsibility." The Ministry of Finance representative who participated in the work of the "Lower Commission on the Problems of Workers Abroad" based his opposition to the solutions offered for the vital problems of worker companies on such superficial arguments as "they will constitute exceptions with regard to other companies." The representative acted along the lines of his unsuspecting ministry. But his position is interesting insofar as it illustrates how wrong the state's approach is with regard to this subject.

On this point, the following question can be asked of those who manage the economy: if worker companies were useless undertakings for the economy, why were they encouraged? If not and they are considered to be valuable enterprises, why is the state so reluctant to take the steps which "are compatible with the conditions of the free-market and have become unavoidable" in the face of the problems generated by a general economic crisis? What is sought is not to have these companies "taken under a classical protection" but quite the reverse, to initiate an acceleration which will enable them to stand on their own feet. Within this framework, the state will act "as a state that attempts to change the shell of the economy" and, having carefully assessed the long-range cost and ultimate benefits of the problem, must consider itself responsible for giving worker companies the potentiality for renewed activity. The proposed measures must not be elaborated within the framework of "operations for salvaging firms" which cause concern because they do not conform with actual economic policies. The issue is not individual worker companies but the long-range future of endeavors which, with their errors and their virtues, generate a sector in the economy.

12278

CSO: 3554/215

PORT DUTIES UNDERCUT COMPETITIVENESS IN TOURISM

Istanbul DUNYA in Turkish 24 Mar 83 p 8

[Article by Turan Karasu: "Turkish Port Taxes Undermine Competition in Tourism"]

[Text] Those who are involved in tourism note that landing taxes, Mediterranean countries being in the forefront, are nowhere as high in Europe and the world as they are in Turkey and ask that these regulations be removed to make competition in the field of tourism possible.

It is claimed that in many of the ports of Mediterranean nations either no landing tax at all or only a symbolic amount has to be paid.

It is also put forward that the \$7 landing tax per tourist and other duties are increasing faster than the Turkish lira's loss of value relative to the dollar. Qualified authorities note that while port expenditures were around 23,000 Turkish liras in 1974, they rose to 1,200,000 Turkish liras in 1982 while the dollar went from 13.50 Turkish liras to 200 Turkish liras, and they stress the fact that the gap arises from the Denizcilik Bank's [Naval Bank] surcharges.

Director General of the Kontuar Maritim [Maritime Bank] Ayhan Sungar, noting that landing taxes are enforced through a peculiar regulation, added the following:

"When a ship enters a Turkish port a \$7 per tourist landing tax has to be paid. When the ship touches at another port later, another \$7 tax must be paid. Supposing that a ship touches at 5 Turkish ports, the same amount has to be paid each time. How many times does a tourist have to enter Turkey?"

Ayhan Sungar noted that in order to secure foreign currency from tourism nowadays, it was necessary first of all to get tourists to come to the country and he said that travel agencies claim that cruises are not profitable because of such a regulation and cancel organized tours to Turkey. He added that such cancellations reached 20 percent in 1983.

The Rinaldo Levante Tourist Agency General Manager Dinc Firat also said that every kind of taxation and duty on tourist ships should be reduced by 50 percent and added:

If Turkey is to compete in the field of tourism with Mediterranean countries, such regulations should be brought to a level similar to or even lower than theirs. Because shipowners who bring tourists choose ports according to how economic and profitable they are. In comparison to 1982, there is a drop in the number of ships that came this year. The number of cancelled cruises has increased. The reason for this is the high cost of port services. To give an example: the tourist ship Royal Odyssey, on one of its cruises, touches at Livorno, Malaga, Lisbon and Istanbul. The ship which pays no landing or light-house fees in any other port, pays here over 1 million Turkish liras in duties. When one looks at expenses as a whole, it can be seen that the duties paid in the port of Istanbul are 4 times higher. For tourism to expand it is necessary to get the tourists to come in the first place and with such regulations how can tourists come?"

Firat, saying that such a tax could be applied to resident tourists who stay for a while but that applying it to tourist in transit would result in a loss of tourists, also said: "A study to that effect is being carried out by the Premier's office. We hope that a positive decision will be reached. The enforcement of a favorable resolution, before the beginning of the season, would be a bold step forward for Turkish tourism."

12278

CSO: 3554/213

ENKA HEAD ON EXPORT ROLE, PROSPECTS FOR 1983

Istanbul DUNYA in Turkish 28 Feb 83 p 7

[Interview with Melih Halefoglu, head of ENKA Marketing Export-Import Limited, by Deniz Nuhoglu; date and place not specified]

[Excerpts] We directed our questions to Melih Halefoglu, director general of ENKA Marketing Export-Import Limited.

DUNYA: Our exports are expanding. Will this continue in 1983? Once an item gets exported, its domestic price increases. Any comments on that?

Halefoglu: Our exports are indeed expanding and increasing and will continue to do so. Actually, at first glance the export of an item appears to be a laborious and difficult affair. The businessman working comfortably in the domestic market is confronted with a whole slew of new technical terms; he is forced to acquire a brand-new jargon as well as planning method. Industrialists and businessmen who only a year ago did not know the difference between FAB, FOT, CF, CIF and CIFC, nor between tax returns, production tax, funds, registration, customs and credit, now have a very good understanding of these terms. Exporting is an addictive passion; those of our establishments that understand exporting and in fact are exporting and seeing the beneficial results, cannot escape this addiction. That is why, as long as the incentives continue at the same level, whoever exports once will do so again and again. The terminology of exporting has entered the everyday speech of the people, of salesmen, grocers and even people in advertising. Goods advertised as "good enough for export" find eager buyers; and respect is greater for the manufacturer and merchant who claims to be exporting. The manufacturer who hears "You mean your factory is not exporting?" will also find it more difficult to sell his products on the domestic market. As long as this mentality continues, exports will increase and expand. They will not give up this great habit, this passion.

As for price increases due to exports, this definitely does not apply to manufactured goods; just the contrary, it results in price cuts. Being exposed to foreign competition, the manufacturer works to produce cheaper and better quality goods through new technologies that lower overall costs, and by increasing capacity while keeping expenses constant brings about lower unit costs of export items. It is possible to look at the service sector in the

same way as the contracting services in this light. As for agricultural goods, the government from time to time readjusts funds in order to avoid short-range domestic price increases. Well, we must look beyond the narrow frame-work. If the domestic price of an agricultural crop increases due to exports, then, according to the free market economy model, more of that crop will be planted in the following year, with greater care, and, in the long run, the price of that crop will drop. There are many examples of this in fruits, vegetables and grains. The most important incentive to productivity is pricing; if lentils fetch a good price, the farmer will plant lentils the following year.

Why do price fluctuations become an issue when tied to exports? When affected by weather conditions, nobody complains. At any rate, in the long run the government, through long-range planning, will manage the economy by establishing and maintaining a balance. During this trial period, however, short-term measures should be avoided.

DUNYA: What is the role of exports in economic development?

Halefoglul: A nation that does a lot of exporting has a healthy foreign exchange income and balance of trade and is respected accordingly. Up to now, we have attempted to make ends meet by borrowing. As we increase our exports, we improve our image; sources for some of the large projects will appear almost by themselves in the form of foreign investors who will come soliciting. You can well imagine how the economy will respond if foreign financing for the Ataturk dam, for instance, could be found.

Exporting increases capacity, is an answer to unemployment, increases our gross national product and achieves technology transfer which in turn leads to cheaper means of production using fewer resources. There is no end to the list describing the role of exports in economic development. Also, exports will spread Turkish goods around the world and with them respect for Turkey. As a further result, we, too, will be more knowledgeable about the world at large; knowing its demands, we can invest accordingly and attempt to secure markets abroad by producing what is wanted rather than by trying to sell what we produce.

With exports increasing, the economy could grow at a faster rate than the export increase rate.

DUNYA: In our exports, industrial products are replacing agricultural ones. Does this mean that our exports are expanding?

Halefoglul: Our exports have greatly increased because of decreased domestic demand in the short run for manufactured goods, and this changed the make-up of our exports. The country that produces the best of something in the cheapest manner and invests in that particular field will be doing the most exporting of that item. Take the United States or Canada; we see that a great part of their exports consists of agricultural products. These data do not give us any information, however, on U.S. industries or structure. It does not matter which item is exported as long as exports increase. Since Turkey's place in

the world economy will always be modest, we will have to study world trade and direct our economic policies and incentives accordingly. Turkey is basically an agricultural nation and we should never forget this. If we increase price supports for agricultural goods, the same goods could be called manufactured goods. So, we have to evaluate developments and statistics from this perspective and support long-range investments.

DUNYA: Does the increase of industrial exports mean that we are successfully competing in foreign markets?

Halefoglu: There was an increase of industrial exports because we were competitive with our prices abroad. We sold our industrial products because they were cheap.

When domestic demand slackened, foreign markets were sought for industrial goods, and exports to Middle Eastern and North African countries increased greatly. There has been no increase in the sale of manufactured goods--textiles excepted--to the industrial nations. There are many benefits to teaching one's self. The Turkish industrialist who weighs foreign competition, comprehends new technologies and changes and understands the diverse demands of the buyer is well on his way to implement changes in production to enhance the price of his goods on his return to Turkey, even to investing anew in order to compete on the German-Japanese pricing level.

DUNYA: To which countries are we exporting more? Are you hopeful regarding the Far East?

Halefoglu: In 1982, Iraq was the nation importing the most from us; it was also among the top three nations as far as exporting to us. Next, Middle Eastern and North African nations received 40-45% of our total exports. But in my opinion, Turkey's share in the total imports of these countries is still very small, and Turkey's imports from them are higher. There are yet many goods these countries could buy from Turkey; in particular, foodstuffs and textiles offer many possibilities. We need to concentrate our efforts in this regard and try to settle into markets that we can supply continuously and that will guarantee our long-term trade interests. Turkey's policy toward these countries at the moment is to convince them to accept short-term provisions stipulating that we sell them the same amount that we buy from them and maintaining a healthy balance of payments. The government must provide support and direction for our exporters in this respect. With our president's trip to the Far East, that region's export potential has been brought to the fore, and I am very hopeful about our prospects for exports to the Far East. Those in the export business in Turkey should encourage and support these initiatives.

DUNYA: To what degree will our exports expand in 1983?

Halefoglu: Our exports in 1983 will reach the planned goal of \$7.5 million [as published]. Of course, we must continue with policies encouraging exports. Still, Turkey's potential is much greater. With a second burst, we

could double our exports, as happened 2 years ago. The goal for the end of 1984 should be 12 billion, which is double the 1982 figure. To accomplish this, we have to follow world trade developments and proceed along the course already taken with increased efforts.

International trade is increasingly subjected to protectionist policies. Industrial nations in particular are tackling each other: problems involving steel between Europe and the United States, cars between the United States and Japan, electronics between Europe and Japan and textiles between Turkey and the EEC cause each of these countries to resort to measures that create barriers to free international trade. Turkey should follow the lead closely and start insisting that our goods be bought by nations that sell us a lot of our imports.

Under the motto "There is strength in unity," nations are grouping themselves and liberalizing customs barriers among themselves for joint endeavors, for instance, the EEC, the Arab Common Market, the ASEAN Far East community, the Latin American Community.

Turkey must utilize its location well and convince communities such as the Common Market and the Middle Eastern, Far Eastern and Islamic nations to accept it and sign agreements with it.

DUNYA: Could you please compare Turkey with developed exporting nations?

Halefoglu: Those countries believing in the importance of exports and also having need of it have developed their export capabilities. Such efforts--whether made 35-40 years ago by Japan and Germany or 10-15 years ago by Korea, all with miraculous results--have succeeded in developing export markets because of strong confidence and resoluteness. Turkey in the '80's is beginning to display this confidence; the need to export, which had its roots in the economy's balance of payment deficit, has been--with proper incentives--turned into something the industrialists and producers cannot do without. Thus, within 2 years we have improved our total export situation by setting ourselves the goal of doubling exports. I was very pleased to read in the foreign press an article about Turkey declaring that "Young Turks in Turkey start export offensive." Why not? Why should we not make the world talk about the Turkish miracle in the '80's. Our goal should be to double exports every 2 years; we have to establish our goals not just for 1983 or 1984 but even for 1990 and direct our means of production and resources accordingly.

As for comparisons, ENKA Marketing Export-Import Limited had business this year of \$192,377,000 and brought in foreign exchange totaling 235 million, the largest amount of any company in the private sector. This figure, then, is a good show for Turkey. Yet, when we compare ourselves with other large export companies in the world, our figures are small indeed. We are dwarfed next to giant international export companies seen in the United States and in Japan. There are companies in the world--hundreds, even thousands of them--with endorsements higher than all of Turkey's exports. To come close to these figures we have to organize, open offices, train personnel and utilize the latest computer technology for processing information.

While discussing joint venture possibilities with a large American company, I saw their computer and asked whether they could give me some information about it. The company representative told me that their computer was the most sophisticated in the field, except for those in the American intelligence establishment. So, if we take as our starting point the fact that information is the most expensive commodity, we will quickly come to the conclusion that the proper evaluation of information is most important.

There are no other incentives in developed exporting nations that do not already exist in Turkey.

12203

CSO: 3554/174

SCOPE OF EXPORTS TO IRAQ TO BE DISCUSSED

Istanbul CUMHURIYET in Turkish 7 Mar 83 p 9

[Text] Izmir (Aegean Bureau)--It has been learned that the Turkish delegation traveling to Iraq this coming week to hold final negotiations regarding exports on credit will bring with them a flexible list of goods. Officials announced that it definitely is not a matter of a list of requirements that will hinder Turkey's increasing exports and that, in this context, every exporter who has goods to offer at a reasonable price will be able to export to Iraq.

As a result of the announcement that Iraq will buy half of its 1983 imports on credit, bilateral talks began between Turkey and Iraq. A framework agreement has been reached in this regard for about a \$400 million portion of Turkey's exports to be purchased on credit.

It has been learned that agreement will be reached on this matter in the final talks that will be held this week in Iraq's capital city of Baghdad. According to information from various sources, although the Commerce Ministry is making recommendations about certain goods, these will be used as an "indicator." Ministry officials said that the export list was taken as a basis in drawing up this list, however, it definitely "will not be mandatory." According to information on hand, in the portion of goods to be purchased on credit, attention will be given to "the necessities" that Iraq wants included among the goods it will import.

12280

CSO: 3554/194

PARAMETERS OF BILL TO GOVERN COOPERATIVES VIEWED

Istanbul CUMHURIYET in Turkish 14 Mar 83 p 12

[Text] Ankara--The draft law providing for the union of the Agricultural Credit and Sales cooperatives creates the opportunity for the cooperative unions to offer stock on the Turkish commercial and capital markets.

After the rural cooperatives are merged, other plans included in the bill to convert them into resource producers include:

The cooperatives will be able to sell or rent licenses and copyright patents.

The cooperatives are also entering activities to organize representative, agent and commission operations or to join operations already established.

With the draft law, the rural cooperatives will be able to obtain and offer securities, loans and credits.

They will be able to import or export for themselves or as representatives of other organizations.

Agricultural cooperatives are allowed to establish companies with domestic or foreign capital and to operate contracting, engineering or counseling services.

The new plan envisions the establishment of new cooperatives by at least 30 producer-members. It is required that the cooperatives form associations and that the associations form a central association.

In this context, in the headquarters and branches of agricultural cooperatives activities having a political nature or goal are forbidden. According to this law, cooperatives cannot accept any kind of assistance from political parties or organizations connected with them, they cannot be of any material assistance to them, they cannot cooperate with them and therefore, those who hold positions in the central or regional executive committees cannot select the members of administrative and supervisory organs of cooperatives and they cannot hold positions in cooperatives.

The new plan regarding cooperatives legalizes the ability of agricultural sales and credit cooperatives to make support payments if the government deems it useful.

Furthermore, the same law sets the requirement that officials of cooperatives be graduates from high school or its equivalent.

POSITIVE PROSPECTS FOR AGRICULTURAL EXPORTS

Istanbul DUNYA in Turkish 22 Mar 83 p 8

[Text] ANKARA (ANKA) - The meeting of the Topraksu [Soil Conservation and Agricultural Irrigation Affairs] Research Council began yesterday in Ankara. Minister of Village Affairs and Cooperatives Munir Guney pointed out that improvements in the agricultural sector increased export capacity as well as leading to the development of branches of industry related to agriculture.

In the talk he gave at the opening of the Topraksu Council Minister of Village Affairs and Cooperatives Munir Guven stressed the fact that his ministry was a ministry for investments and that " 80 billion Turkish liras, out of their budget of 104 billion Turkish liras were applied to investments." He said: "This year, through the Topraksu General Directorship, we will bring Topraksu services to 389 projects and to 111,500 hectares of land.'

At the council meeting, annual progress reports on the 296 projects implemented in 1982 will be evaluated, 41 completed project reports will be discussed and 65 new projects will be included in the program.

Topraksu Director General Erdogan Bilgic, who took the floor after Munir Guney, pointed out that 27.7 billion hectares of land had been opened to agricultural exploitation in the nation and said: "So far, we have been able to irrigate 3 million hectares out of the 8.5 million hectares which can be economically irrigated."

Dean of the Faculty of Agriculture Prof. Dr. Ali Balaban stated for his part that, taking into account irrigation developed in the nation by the farmers' own means irrigated agriculture was carried out on an area of 3 million hectares and added:

"At this point, only 11 percent of the land devoted to agriculture in Turkey today can be irrigated. 24 percent of the arable land and 35 percent of the portion that can be economically watered is irrigated. As can be readily seen from these estimates, about 76 percent of our land which can be irrigated is waiting for water."

The meeting of the Topraksu Research Council will end on 25 March.

MOST MANUFACTURING SECTORS REGISTER PRODUCTION RISE

Istanbul DUNYA in Turkish 3 Mar 83 p 4

[Text] Ankara (NATIONAL PRESS AGENCY)—A survey of the manufacturing industry indicates that production has improved in 12 of the 17 sectors surveyed, but not in 5 of them.

According to the UBA [NATIONAL PRESS AGENCY] survey, industrial production registered declines as compared to pre-1980 in wood and cork products, the chemical industry, machinery manufacturing, electrical machinery and transport vehicles.

Despite internal reflections of economic crises in foreign countries, production increases are seen in the food industry, the beverage industry, the tobacco processing industry, textiles and read-to-wear, furniture and accessories, paper and paper products, the printing industry, the rubber and tire industry, oil and oil products, the stone and earth-based industry, the metalwares industry and base metal industries.

The production status of the sectors follows:

Food Industry

Production improved generally in this sector. As opposed to declines in the sector's main products of canned meat, fruit juices and pasta products, significant increases were registered in tomato sauce, edible oil and sugar production.

In this sector, which is affected by large seasonal fluctuations, the public sector registered a higher productivity improvement than the private sector, though the private sector has a higher productivity level than the public sector.

Beverage Industry

Productivity in the beverage industry was found to be rather high. The public sector has a higher productivity level than the private sector, while the private sector registered higher productivity improvement than the public sector.

In this sector which saw no significant decline in total production despite the impact of seasonal fluctuations, declines in the productivity index are the result of the price index used as a deflator.

Tobacco Processing Industry

Rapid production increases continue in this sector. In this sector which is totally dominated by the public sector monopoly except for minimal private sector involvement in the leaf tobacco processing stage, production of filter and non-filter cigarettes has been quite high recently.

Textile and Ready-to-Wear Industry

A general stability is seen in the textile and ready-to-wear industry. Despite some declines in the public and private sectors in 1980, the installation of large modern facilities, particularly in the private sector, has made up for them.

In this connection, the sector obtains almost all of its raw material inputs domestically and this externally-independent status is a major contributing factor to the sector's smooth operation and stability.

Wood and Wood Products Industry

Production has declined in this sector owing to difficulties in obtaining raw materials and changes in production procedures and technology.

This sector, involving widely differing product groups, is experiencing general declines in labor productivity. These declines are larger in the public sector than in the private sector.

Furniture Industry

The public-sector share in production in the furniture industry is quite small. A general production increase is seen in the sector. Chief among the causes prompting this increase is the significant growth in furniture exports, especially in recent years.

Paper and Paper Products Industry

Production is maintaining positive growth in this sector. Increased production in this sector where private sector participation is very low is the result of its extremely low external dependence and, in particular, its total utilization of domestic sources for raw materials.

Printing Industry

Production follows a stable course in the printing industry. Only data relating to the private sector was able to be assessed in this sector, where public-sector participation is very low. Because the sector is affected

structurally by political and economic fluctuations, its production is significantly influenced by the ability to obtain its raw material, paper and by paper prices.

Rubber and Tire Industry

Production in the rubber and tire industry maintains a stable development. Practically all of the operations in this sector have what may be considered optimal levels as to capacity and technology, allowing them to avoid the impact of economic crises. This allows steady production and growth.

Chemical Industry

Production varies in the public and private sectors in the chemical industry, as they produce different products or groups of products. Even so, there is a general production decline in the sector.

The sector is largely externally-dependent for raw materials in particular and, owing to the shortage of foreign exchange of recent years, the sector was unable to get sufficient imports on time of the raw materials for drugs, paints, fertilizers and various cosmetics which are its major projects, leading to declining production of these products. Oil and electricity also contribute to the causes of declining production.

Petroleum and Petroleum Products Industry

The petroleum and petroleum products industry, owing to the very nature of the sector, is the one where the highest level of productivity may be reached. Since production is completely automatic requiring only inspection and maintenance, the sector has gained a very high production cap ability.

Stone and Earth-Based Industry

Production in this sector has shown a positive increase, if seasonal fluctuations are disregarded.

The sector is not externally-dependent for raw material inputs, technology, machinery and equipment, and production is based entirely on natural resources. From this standpoint, economic squeezes abroad do not affect production development.

Base Metal Industry

Despite a rapid decline in production following a slump prior to 12 Sep 1980 in the base metals industry, production took an upward trend after that date. It is felt, however, that a great deal of investment input is required to maintain and improve production in the sector.

Metalwares Industry

There are increases in the production level since production in the metalwares industry does not require very large investment or very advanced technology.

This sector is one in which only the private sector is engaged in production. The sector has an advantage in production in that it obtains all of its raw material inputs on the domestic market.

Machinery Manufacturing Industry

Production is way down in the machinery manufacturing industry. There are very significant reductions in production of practically all of the sector's products, the chief of which are tractors, refrigerators, washing machines, elevators and sewing machines.

Electric Machinery Industry

Production is also down in this sector since its situation is similar to that of the machinery manufacturing industry. Production has declined in electric motors, transformers and boosters, the sectors major products.

Transport Vehicle Industry

The half in domestic demand owing to rising costs in the motor vehicle industry has significantly affected production, bringing it down.

Reversals in production owing to negative conditions and shortages in the world conjuncture that began in 1979-1980 have continued in more recent times.

8349

CSO: 3554/181

FDF'S OUTERS ON PROBLEMS OF BRUSSELS, WALLONIA

Brussels LE SOIR in French 4 Mar 83 p 2

[Interview with Lucien Outers, president of the FDF, by Guy Duplat and Pierre Lefevre: "To Adopt the Language of Ralliers and To Hope for a Large Pluralist Walloon Party... a Unitary Belgium Intensifies our Decline"; date and place of interview not given]

[Text] [Question] You are sometimes referred to as a "drawing room Machiavelli." What is your reaction to this?

[Answer] It is an old label I cannot get rid of. It is true that my past is that of a diplomat. But I believe that, when one is weak, one cannot afford to be awkward. I try to put some skill at the service of my ideas.

[Question] Didn't you do something foolish in associating yourself with some PSC [Social Christian Party (Walloon)] personalities -- the party which is most resented within the FDF [Democratic Front of Brussels French Speakers] -- to form a discussion club?

[Answer] I could readily answer that it was the clubs which made the revolution in France. But I must repeat that it was not I who turned to the PSC. It was following a meeting with Philippe Maystadt that it was decided that further contacts would be useful. But all of this happened before I became president of the FDF. And if my contacts have primarily involved the PSC, that is because that party is most opposed to our ideas and because it would be useful to work at its transformation within the French Community.

[Question] But aren't you afraid that doing this, you will cut yourself off from the PS [Socialist Party (Walloon)]?

[Answer] Together with the socialists we form a majority within the French Community, and we do not intend to deny it. But neither are we an appendage of the PS, which we are sometimes reputed to be. Socialism as it is practiced in Belgium today seems to me to be an outdated theory. Paul-Henri Spaak was already convinced of this and he left the socialists because of their anachronisms. The world today is no longer that of the proletarians of the 19th century, even if social injustices still exist and they have to be fought.

Everything that Lives Must Grow

[Question] You mentioned the French revolution. At a more modest level, what are the real political objectives of your actions?

[Answer] The FDF was created because of the crisis of the state. Its components came from everywhere. But like everything that lives, a party can survive only if it is in movement. A tree which no longer grows, dies. A party like ours must grow or it will die. I don't believe that to maintain our inherited electorate alone is an objective. We have to adopt the language of ralliers, simple and clear, even if this causes some disturbances.

[Question] Disturbances within the FDF itself. Aren't you running the risk of losing both your left wing and your right wing?

[Answer] When we explain the facts, our members understand. You have to consider the rank and file as adults. But, of course, in a world where nobody dares to say what he thinks this may be surprising.

[Question] Aren't you afraid that you will be trapped by the PSC?

[Answer] I think that an evolution has taken place within the PSC, and especially within the team of young leaders. But I don't have the feeling of being trapped. The reporter Pol Vandromme, who is close to the PSC, even considered that the PSC had more to lose from such a rapprochement than the FDF. He was afraid that our ideas might be contagious.

Nols: Argument for the Defense

[Question] Roger Nols accuses the FDF of evolving toward Christian democratic themes. Aren't you adding grist to his mill?

[Answer] That accusation has never been backed up. I suspect Roger Nols of using a tactical weapon to scare the secular wing of the party. It is an argument for the defense.

[Question] To achieve what?

[Answer] The division of the party.

[Question] You talk about him as of a political adversary. Why don't you oust him?

[Answer] I don't think that this conflict will be permanent in nature. Roger Nols is very much attached to his municipality and all his actions are the result of his municipal concerns.

[Question] Isn't it because he is afraid of losing his electoral strength?

[Answer] That is what people say. But in reality, we are a party which does not want to be authoritarian or to be little chiefs. We have always respected a broad freedom of speech.

[Question] The renewal of the party cadres is one of the most important problems of the FDF. How far have your projects for reform of the party structures gotten?

[Answer] I have always wanted a renewal of the cadres and I have announced that I would surround myself with a team of young people. We still have to appoint vice presidents and political secretaries, perhaps even a position of assistant secretary general. I think that this will be an opportunity to give positions to young people who will bring a new momentum to the party.

[Question] Does that mean a sharing of the presidential power?

[Answer] There has always been a sharing of power. From the permanent committee to the general council, it is the party organs which make the decisions. The role of the president is limited to calling and presiding over the meetings and to expressing the opinion of the party on the outside.

Large Walloon Party To Associate With

[Question] Hasn't the FDF reached a deadlock? It does not participate in the government. Its parliamentary reputation has melted away. It has been repeating the same themes for 15 years. How do you expect to get out of that powerlessness?

[Answer] We are experiencing a paradox. We are weakened at a time when our ideas are triumphing. I have always said that we would govern through intermediaries. But it is true that I regret that our influence is limited to Brussels. There was a time when we were strong with the support of the 14 representatives from the RW [Walloon Rally]. But the leaders of that party have adopted a suicidal attitude. Their party now has only two representatives left. Today, I am hoping that there will be a large pluralist, federalist and center left party in Wallonia. By "center" I mean that one must be realistic, and by "left" I mean that one must be generous. A party with which we would be able to associate ourselves.

[Question] Could this be the PSC?

[Answer] I don't believe so, because of its past. But the parties could evolve. In France, the creation of new parties is a common occurrence, whereas in Belgium there is stagnation. The citadels of the past remain in place. And yet, there is no Christian way of making the trains run, and liberalism and socialism are theories which have been overtaken by the facts.

[Question] Your aim remains to broaden the FDF by looking for an ally in Wallonia?

[Answer] Of course.

[Question] Why not extend to the Walloon parties the common platform of the Brussels parties?

[Answer] Those two steps are not incompatible. On the contrary.

[Question] And the progressive front which is being pushed at the initiative of the union organizations?

[Answer] The PS has been talking about it for 20 years, but it has not made very much progress and I don't see how it could advance in the next few years. I have observed that the current meetings of this front of progressives take place between the PS and the fragments of the RW. I follow their activities from afar, but I don't want our party to participate in these meetings.

[Question] Let us turn to the institutional future of Belgium. First of all, what future do you see for the Brussels region?

[Answer] In the long term, it is clear that we want Brussels to be a full-fledged region with adequate powers. That is our objective, in accordance with the constitution as a matter of fact, but I have noticed that to say that today is considered an obscenity. As a matter of fact, in parliament we are the only ones to raise this problem. All this because the CVP [Social Christian Party (Flemish)] no longer wants people to talk about it. And the attitude of the other French speaking parties depends on the sympathy or hostility they might arouse in their compulsory partner. One would think that they have to excuse themselves for being French speakers.

[Question] But political reality seems to be pushing this objective farther and farther away, doesn't it?

[Answer] In appearance, yes. But you have to analyze the evolution of the Belgian state. It seems very significant to me to follow the current debates in the House committee on the Van den Brande bill. It is surrealistic. The representatives are calmly considering the splitting up of Belgium, whereas only a few years ago, Willy Claes referred to economic federalism as a disastrous mistake.

[Question] But Mr Gol has said that he would stop those activities in the committee.

[Answer] Of course. But only the Flemish are speaking. The French speakers are quiet. The PSC is speechless with surprise. The PRL [Liberal Reform Party (Walloon)] is most of all afraid of a government accident and remains silent. And the PS is mockingly waiting for the moment to get back in power. I think that things are going to happen. Belgium has in reality been in a coma for 20 years. It holds on only because it is immobile.

Abscess Must be Lanced

[Question] But doesn't such a general discussion on the future of the regions and of Belgium imply a lengthy political crisis in the middle of an economic crisis?

[Answer] Such a discussion could be completed in 2 or 3 months. It seems to me that we have to treat the illness if we don't want to die. The abscess must be lanced, even if it hurts at the time it is being done.

[Question] Aren't you afraid that the inhabitants of Brussels might choose the slogan: "Better Flemish than bankrupt"?

[Answer] My response to that is that they will be Flemish and bankrupt. Look at what is going on in Wezembeek. The French speaking mayor of that municipality has always played the Flemish card and yet, today he is experiencing the worst difficulties. He remains an adversary for the Flemish. I am afraid that the Brussels French speakers will suffer the same fate as the French speakers of Flanders.

The Flemish consider Wallonia to be a handicap, but there is still Brussels. With the input of billions of francs, they have tried to make the capital Flemish. Today, they want to use another method by stifling the municipalities and by strangling the agglomeration. We are forced to go beg from the government to make ends meet at the end of the month.

Union of French Speakers

[Question] What can the French speakers do then?

[Answer] A union of Walloons and Brussels French speakers is the only way to reverse the current.

[Question] But this union seems rather difficult, doesn't it?

[Answer] In serious moments, one unites. In 1830, Christians and liberals got together to kick out the Dutch. The pressure of events, and particularly the fate of Cockerill-Sambre will impose this unity.

[Question] But isn't it dangerous to want to renegotiate everything this way?

[Answer] The opposite is dangerous. When I see that today, the CVP is asking for the quiet collapse of Cockerill-Sambre after having for years prevented this company from modernizing itself. I like the word "quiet." That is like saying: we are strangling you, but quietly. You can see -- and your survey on the money of the Belgians shows it -- that Flanders is winning. Seventy-two percent of the Flemish say that they have no trouble making ends meet at the end of the month, whereas only 48 percent of the inhabitants of Brussels are in the same situation. For years, Flanders has been serving itself well. Suffice it to recall the 100 billion francs spent for the port of Zeebrugge, and all of this in vain. The current government policy has not changed anything. As Leon Defosset has just shown in the House, the failure is complete. And all this, because we are living in a country which cannot be governed. I remember when I was minister of science policy, I had to have an oceanographic boat built in order to get the Flemish to accept the participation of Walloon firms in the Airbus and the Ariane projects.

[Question] What kind of scenario do you advocate: to negotiate with Flanders or first to become independent?

[Answer] I no longer believe in negotiation, because even when you have signed a document, this agreement is not respected. But I believe that it will be possible to talk as equals when the Flemish and the Walloons have proclaimed their independence. Which could occur within the framework of the community councils. I am afraid that the Flemish will be the first to do it. However, I hope that this will happen soon, because a unitary Belgium intensifies our decline, and every day that goes by is harmful to us.

8463

CSO: 3619/55

INTERPELLATION ON SECURITY RISKS IN USE OF POLISH PILOTS

Firefighting Aircraft

Athens I VRADYNI in Greek 8 Mar 83 p 1

[Text] The danger of espionage to the detriment of our country's defensive security on the part of airplane pilots from Poland, a member of the Warsaw Pact, is pointed out in an interpellation by the ND deputies Kon. Stefanopoulos, Georg. Misailidis, P. Panourgias, and Dim. Vrettakos.

In their interpellation, which was introduced in the Chamber of Deputies yesterday, the ND deputies criticize the government for its decision to lease firefighting airplanes of Polish manufacture. These planes, some of which already have arrived in Greece, are accompanied by Polish crews and ground maintenance personnel.

The crews will train Greek personnel and will participate in the firefighting work in Greece.

The deputies who introduced the interpellation stress also that approval for this should be given by the Ministry of National Defense, and they point out that it would be possible to have the training of the Greek personnel done in Poland.

K. Stefanopoulos, G. Misailidis, P. Panourgias, and D. Vrettakos criticize the minister of national defense for "allowing pilots from a state belonging to the Warsaw Pact to take off from airfields and fly over the territory of our country, and for regarding as nonexistent the danger of espionage against our defensive security."

KKE, Government Reply

Athens I VRADYNI in Greek 9 Mar 83 p 1

[Text] In an interpellation which was introduced in the Chamber of Deputies yesterday, the KKE-Exterior supported the purchase of Polish aircraft which will be flown by Polish pilots, despite the suspicions which have arisen about possible espionage activities by these pilots.

The KKE deputies who have signed the interpellation, A. Ambatielos, K. Kappos, K. Loules, and K. Vasalos, characterize Poland--which is a member of the Warsaw Pact--as a friendly country, and they criticize the ND for having suggested,

by way of its deputies Kon. Stefanopoulos, Georg. Misailidis, P. Panourgias, and D. Vrettakos, that it is possible for these Polish pilots to engage in espionage.

The KKE deputies introducing the interpellation stress that the American bases in Greece are nullifying the defensive capability of the country and its military secrets, and they denounce the ND for supporting the retention of the American bases!

Confirmation

Moreover, in a talk with journalists yesterday the deputy minister of agriculture, M. Gikonoglou, confirmed the report that the Polish firefighting aircraft will be flown by Polish pilots, and that two airplanes have arrived already along with their Polish airmen and ground maintenance personnel--from a state belonging to the Warsaw Pact--with another six planes expected.

The deputy minister admitted that although the Greek personnel will be trained in Greece by the Polish trainers, this could have been done in Poland.

12114

CSO: 3521/242

ADEDY, FOREIGN SERVICE STRIKE

Athens I KATHIMERINI in Greek 11 Mar 83 p 1

[Excerpt] Extensive participation by the civil servants is expected in today's 24-hour strike which is being called by the ADEDY [Supreme Administrative Committee of Civil Servants] in opposition to the government's income policy and because of encroachments on their vested rights.

As is known, the foreign-service employees are also participating in the strike.

The salaried employees of the State will participate in the strike despite the pressures, the threats, and the strikebreaking mechanisms which, the ADEDY charges, are being used by the government in cooperation with certain public-employee organizations whose administrations are on friendly terms with the governing party. The ADEDY announced that more than 150 public-employee organizations in the municipality and provinces have made it known that they will participate in the strike.

The Foreign-service Personnel

The following announcement was issued by the Union of Foreign-service Employees:

"Just recently, the Administrative Council of the Union of Foreign-service Employees (EDY) deemed it necessary to make an announcement recalling and stressing the fact that the members of the EDY do not speak for and do not express the positions of any political faction.

"Thus, to avoid any new misunderstandings the Administrative Council deems it useful to make clear the fact that the participation of EDY members in tomorrow's ADEDY strike is an expression of solidarity and moral support for the civil-servant class generally and for certain of its economic demands, and it would be unthinkable to ascribe any political character to this fraternal gesture."

12114

CSO: 3521/242

NEGOTIATIONS WITH USSR ON REFUGEES

Athens ELEVTHEROTYPIA in Greek 4 Mar 83 p 1

[Text] Talks will begin shortly between Greece and the Soviet Union on the social-insurance problem of the political refugees.

As was announced by the deputy minister of social insurance, Mrs Roula Kaklamanaki, the two sides have agreed on the formation of a mixed Greek-Soviet committee which will study the issue.

Kaklamanaki stressed that our social-insurance relations with the Soviet Union are entering on a new course, following a careful study of the problem by the government, the well-known declarations made by the premier, and the things which were agreed on during the recent visit by the premier of the Soviet Union.

According to a statement by the deputy minister, the Greek ambassador to Czechoslovakia has notified the Ministry of Social Insurance that the Czechoslovak side has agreed to begin a dialogue with our country as soon as possible.

She said also that in the case of Hungary as well the negotiating path is open. The only thing remaining to be done--Kaklamanaki stated--is to have a preparatory briefing for the Hungarian side about the new Greek proposals.

12114

CSO: 3521/242

GOVERNMENT PROTESTS ITALY'S RUMOR QUESTION

Athens TA NEA in Greek 10 Mar 83 p 1

[Excerpt] Yesterday the government indignantly denounced the suspect action of an Italian Eurodeputy who with the cooperation of the New Democracy Party attempted to meddle in the domestic affairs of Greece by introducing an interpellation about the military readiness exercise and the popular mobilization which took place on the weekend of 26-27 February.

While expressing the indignation of the Greek government over the suspect and unacceptable action of the former Christian-Democratic premier of Italy, Mariano Rumor, government spokesman Dimitris Maroudas concurrently asked the leader of the ND to recall the head of the ND group at the European Parliament, Leonidas Bournias, who had made statements "welcoming" the unacceptable attempt by Rumor to interfere in the domestic affairs of our country.

Nevertheless, the leader of the ND not only declined to do this, but through statements by a "representative of the ND" he even fully covered up for Bournias, thus proving that even if the ND did not foment this foreign interference in Greek domestic affairs it at least encouraged it.

In any case, all the representatives of the Greek parties to the European Parliament (PASOK, KKE, KKE-Interior, and KODISO [Democratic Socialism Party]) strongly condemned Rumor's action and expressed their support for the Greek government in its handling of this suspect attack.

Here it should be emphasized that just 2 days ago, on the occasion of the attack against President of the Chamber of Deputies Giannis Alevras, the government had charged--and TA NEA had pointed out--that the ND has operating within it a "core group" which is conveying to the press various hatched-up "news items" and "reports" whose aim is to cause anxiety not only among the public in Greece but also abroad.

Greek Indignation

Late in the evening, the government spokesman made the following statement:

"The Greek government expresses its indignation over the suspect and unacceptable attempt by Rumor to interfere in the domestic affairs of our country.

"And we are very deeply disturbed that Bournias, an ND Eurodeputy, is welcoming this unacceptable act on the part of Rumor.

"We hope that upon comprehending the magnitude of this mistake, the ND chairman will call Bournias to order concerning democratic, parliamentary, and patriotic behavior."

12114

CSO: 3521/242

TRADE UNION RIFT SEEN WITH ND-SPONSORED DASP MEETING

Athens ELEVETHEROTYPIA in Greek 7 Mar 83 p 8

[Excerpts] It is now just a matter of time before there is an ideological and political rift in the trade-union movement within Greece. The trend in this direction seems to be irreversible, following yesterday's First All-Greek Conference of the "Democratic Renewal Trade Union Front"--DASP--which took place at the Kings Palace Hotel. This faction apparently has received the "endorsement" of the ND--the speakers declared their loyalty to this party--and it was officially stated by its leadership that:

The DASP speaks for the Center-right.

It supports the position that our country should remain in NATO and the EEC.

It supports the retaining of the American bases in our country.

It was also officially stated that:

"The socialism which PASOK has practiced and is implementing is not accepted by the DASP faction, which instead supports, and will fight for, the preservation of our capitalist conservative society."

In anticipation of the reactions which will be engendered by the "clear elucidation of DASP's positions," DASP head A. Kmiotis called on its supporters to remain undaunted by the attacks which they will suffer. "From the Left," said Kmiotis, "we will be characterized as fascists, extreme rightists, and royalists," whereas others (the allusion pertains to the other trade-union faction on the Right) "will call us disruptive, power-seeking, and frivolous. Our answer is that we are reformers."

It was stressed that DASP was founded "in order to defend trade-union freedoms and the rights of Greek workers," which are being endangered "by those trade unions which are in a nationalized condition."

The presiding body of DASP--which they have named the Directorate--consists of Kmiotis, Diakos, Dimitrakis, Maravelias, Levteriotis, Kazaglias, Andreadis, Spyarakis, and Patsarikos.

MUNICIPAL ELECTIONS: A POLL ON THE SOCIALISTS

Madrid YA in Spanish 8 Mar 83 pp 3, 8

[Article by F.L. de Pablo]

[Text] The last legal obstacles which might have come up in its delay of local and regional elections having been overcome--repeal of the electoral law passed last Tuesday and the establishment of the Castilla y Leon general council--the convening will be agreed upon by the Council of Ministers tomorrow so that, beginning Thursday, the 55-day countdown will begin for the great test on 8 May, Sunday, when the elections will be held.

Despite its actual character and its proximity to interests which the citizen enjoys every day, these elections, 5 months after the establishment of a socialist government, will mean an inevitable poll on administration by the government which this very week completes its first 100 days.

The problem for the parties is the appearance of almost 80,000 candidates for the 8,023 town councils existing in Spain. This challenge will be easier for the PSOE [Spanish Socialist Workers Party] to handle than for the AP-PDP [Popular Alliance-People's Democratic Party], primarily because the candidates for office lean more toward the power than the opposition, and because the majority party is experiencing a spectacular period of growth which is being promoted through its own network of local and provincial associations and through the framework of outlying administration. It is an inevitable advantage held by the one in power at the national level, a large measure of local power (the PSOE now holds 1,125 mayoralities and has members on 3,022 town councils) and is in control of 9 autonomous communities.

The AP-PDP coalition will profit from switches by UCD [Democratic Center Union] people and by the very growth of the AP whose leader this weekend in Badajoz issued membership card number 100,001 to a woman student of exact sciences.

It must be taken into account that the challenge is greater for AP than for the government party because, in line with what happened in the Andalusian elections which is where Fraga's resurgence appeared, they are starting almost at zero since AP holds the mayoralities of only 208 small municipalities among which the most important are the ones in La Carolina or Laredo and the

autonomous government of Galicia. But it must not be forgotten that in the last general elections AP also showed up well in certain industrial areas, until then clearly within the Left's purview.

This means that the big battle will take place around the large cities and primarily in those of more than 20,000 people, but we should not lose sight of the fight which will go on in the almost 7,000 municipalities of under 5,000 people. Both parties plan to run in more than 7,000 municipalities, which forces them to make efforts at bringing in independents, individuals of standing in their towns, provinces or regions, capable of being identified by their fellow citizens as good administrators.

Aside from the fact that in these elections the voters already have facts for formulating an opinion from 4 years of socialist administration in the municipalities and, for a shorter period, in some of the autonomous communities, what is apparent is that the electorate, if it shows the same wisdom as on 28 October, may cast not only a "vote of punishment" against the PSOE, primarily those who feel disillusioned with the government of "change" and with its municipal administration, but they have the opportunity to establish a balance or, as Jorge Verstyngue, AP candidate for the Madrid mayoralty, has stated, "a compensating power."

Both the Christian Democrat victory in Germany and the municipal defeat of socialism in France, even though still having to wait until next Sunday, may make Spanish voters think so as to halt the growth of the socialist hegemony which already has control of the government of the nation, the majority of the municipalities, a large number of the populous and central regions of Spain, growing power in trade unions and an economic and financial empire under its control thanks to which, with the takeover of the Rumasa banks, the state has become the number one banker in the country.

The challenge will be more difficult for the smaller parties. They will aspire to exercising arbitration amidst a growing ambivalence in the electorate. So far, only the Communist Party and the Social Democratic Center Party have announced that they will run on the national level, aside from the fact that both the Basque and Catalan nationalist parties will also run at municipal level in their respective territories.

The Communist Party will aspire to holding onto the municipal pact with the PSOE which at the moment is limiting itself to postponing any pronouncement relative to both municipal and autonomous election returns. But the approved electoral modification, even though it benefits the majority party, primarily in the makeup of municipal councils, favors maintenance of municipal pacts between the PSOE and the Spanish Communist Party, and will also allow the government to modify its shift toward the center and satisfy the radical foundations of socialism which denounce excessive social-democratization of the party in power.

OUTLINE OF BILL GOVERNING POLITICAL ASYLUM

Madrid EL PAIS in Spanish 23 Mar 83 p 15

[Article by Bonifacio de la Cuadra: "The Asylum Law Will Protect Those Persecuted for Defending Liberties in Their Countries"]

[Text] Madrid--According to the bill on asylum, which will be submitted for approval at a forthcoming Council of Ministers session, so as to be sent to the Cortes, "Spanish territory will constitute an inviolable refuge" for individuals persecuted in their countries for ideological reasons, or those who have committed political crimes which are not such in Spain or, even if they are, when they have been intended to establish liberties or to fight against racism or colonialism. The authority for deciding on petitions for asylum and the legal status of those taking asylum will be assigned to a new autonomous agency: the Service for Protection of Asylumed Persons (SEPRA).

The creation of this agency has evoked misgivings on the part of the Ministry of Interior, since the bill attaches SEPRA to the Ministry of the Presidency, and assigns to this department the proposal for naming its chairman, which is incumbent on the Council of Ministers. The Interior Ministry will be represented on the SEPRA advisory board by two members, as will the departments of foreign affairs, justice, education, labor and social security, and health and consumption.

The advisory board, SEPRA's top-ranking organ, will discharge the duties assigned it in connection with notification on the conveyance of asylumed persons, expulsion and agreements on the issuance of documentation, among others. The implementation of SEPRA's decisions, under its supervision, will be assigned either to its internal organs per se or, when necessary, to the authorized departments. The Interior Ministry will issue the travel and identity documents in the manner and under the terms decided by SEPRA's board.

According to an additional proviso in the bill, denial of the status of an asylumed person, whatever the reason for it may be, will not preclude the authorized organs in the extradition area from being able to decide, based on the pertinent legislation, that the extradition is not legal, because a political-type crime is involved or, even if a common crime should be involved, "the request for extradition is based on a motive of a political nature."

'Magnanimous' Law

As for the causes for which asylum may be granted, the Ministry of Justice considers the proposed law to be "magnanimous" in this respect. Article 3 regards as a refugee "any person who, owing to well-founded fear of being persecuted for reasons of race, religion, nationality, affiliation with a particular social group or political opinions, is located outside of the country of his nationality and cannot or, owing to this fear, does not want to resort to the protection of that country, or, lacking nationality and, as a result of these circumstances, finding himself outside of the country in which he previously had his usual residence, cannot or, owing to this fear, does not want to return to it." The notion of a refugee will be expanded, without need to amend the law, "when the Spanish State concludes any international agreement containing a more extensive arrangement, which will be applicable to any person, even though he may not be of the nationality of the signing states." In cases of individuals with more than one nationality, the persecution which prompted the granting of asylum may originate in any of the countries whose nationality the person possesses.

In addition to refugees, the benefit of the right of asylum will be given to those who do not want to subject themselves to the protection of the country of their nationality, "because of fear of undergoing some type of prosecution or penalty as a result of activities that may be considered, or actually have been considered crimes of a political nature and related ones which are not such in our legal system; or which, even though they are such, have been committed for the purpose of achieving the establishment of rights and liberties recognized in our system, or of fighting against colonialism, racism and undemocratic systems for organizing coexistence."

The asylum law planned by the government has been largely inspired by the proposed law which the Socialist Parliamentary Group submitted in October 1978. The current text dispenses with certain concepts, described by the justice department as "overly daring," because they allowed asylum even for terrorists, if there existed among them the exculpatory circumstance of legitimate defense or state of necessity, based on the situation in the state of origin. Now, on the other hand, "following a general trend in comparative law and international agreements, acts against the safety of civil aeronautics and terrorism are excluded from the concept of a political crime, and hence from asylum."

The asylum, the petition for which may be made in national territory or on any Spanish border, will have as its main purpose not returning the person to the persecuting state, for which reason any extradition process would be denied or held in abeyance.

If the Interior Ministry decides to expel from Spain a person taking asylum for serious activities against the state, once the pertinent appeals have been settled, he will in no instance be expelled to the country which is persecuting him.

POLITICAL, COMMERCIAL ASPECTS OF GUERRA'S ALGERIA TRIP

Madrid EL PAIS in Spanish 23 Mar 83 p 17

[Article by Manuel Ostos: "Intensification of Trade Relations With Algeria Main Purpose of Spanish Delegation's Visit"]

[Text] Algiers--The Spanish Government's desire to universalize relations with Algeria, support for everything that would lead to an easing of the problems confronting the Magreb countries and a wish to see "the leaders of the Western Sahara conflict solve it by peaceful means" were the essential features of the first statement made in Algiers by the vice president of the Spanish Government, Alfonso Guerra. Understandably, according to the government's vice president, the political aspect of the bilateral cooperation will be reflected in increased economic relations and commercial exchanges. He remarked: "This is the meaning of our visit to Algiers, in response to an invitation that was tendered us by this country's prime minister."

Strangely enough, the Spanish minister of foreign affairs was not included in a delegation consisting of 31 persons. The delegation was met at the Algerian capital's airport by the member of the Executive Committee of the Algerian National Liberation Front and finance minister, Boualem Benhamouda. The Spanish-Algerian political talks began last night at the government palace, under the chairmanship of the Algerian prime minister, Mohamed Abdelghani, and the head of the Spanish delegation, which includes the minister of industry and energy, Carlos Solchaga, and the minister of public works, Julian Campo. The Spanish Air Force plane on which the delegation headed by Alfonso Guerra were traveling arrived in Algiers yesterday afternoon.

Replying to questions from reporters, Guerra, after stressing that Spanish-Algerian relations are "very good," emphasized that the change which has occurred in Spain with a Socialist government's rise to power "facilitates a new interpretation of the political strategy to be implemented in this area, and Algeria in particular."

"Algeria is traditionally part of the Magreb, and what is regrettable stems from the fact that, to previous governments, this area was like the back of Spain, which was not viewed with the necessary heed. We think that this is an area which should be regarded as one for priority cooperation; and therefore we shall bring our political, economic, commercial and cultural desires closer to this."

Political Sympathy

When asked about that "political desire" of the Spanish Government, Guerra added: "There is no doubt that our sympathy for the Algerian political phenomenon has a connotation that is more intense than in the case of other countries in the area; but we think that we must give the area total attention, because it has an extraordinary strategic importance, and we must achieve the easing of tension and dialog. Everything that is aimed in this direction will be backed by us...."

With regard to the Western Mediterranean Conference suggested by Paris, the vice president of the Spanish Government answered evasively, commenting: "It would be very much in our interest to be able to see all the countries of the northern and southern edge of the Mediterranean find a solution on behalf of its security, converting it into a sea of peace; however, we must not forget that there are in the Mediterranean forces in conflict which are bringing about the confrontation between the East and the Western world...."

With respect to the Western Sahara conflict and the possibility of holding a meeting with the representatives of the Polisario Front, Guerra said that his visit was in response to an invitation from the Algerian prime minister, "and, of course, I have not planned more meetings than the Algerian Government has deemed beneficial, and we have considered feasible...."

When asked about the Spanish Government's position on that problem, Guerra stressed: "We are clearly in favor of the solution to the Saharan problem based on the Saharan people's right to self-determination. This means that those people have the right to select their type of internal organization. This is a dispute in the Magreb area, and those who have to hold discussions among them are naturally the leaders of that dispute. Any proposal that would lead to those leaders' being able to get together, first to talk, and later to reach an understanding, so as to solve the problem by peaceful means, will be approved by the Spanish Socialist Government." Today, Wednesday, the schedule of activities for the Spanish delegation headed by the vice-president of the government includes the placement of a wreath at the monument to the martyrs of the Algerian revolution, and the opening of meetings among the various task forces: energy, public works, culture and trade. A plenary meeting for recapitulation is scheduled to be held on Thursday, after which it is planned to sign a joint communique. The delegation will leave for Madrid on Friday morning, after a press conference held by Alfonso Guerra at the Algerian capital's airport.

Algeria has attached particular significance to the Spanish vice president's visit, inasmuch as it is an attempt to foster political cooperation and to conclude agreements of an economic nature, taking into account the complementary nature of their respective economies.

In the critical problem of Western Sahara, the Algerian side has chosen to uphold a position of waiting, so as not to deprive the bilateral nature of the visit of substance; but there is no doubt that the issue will be discussed in the political talks, and will be included in the joint communique, with the prospect of a meeting with representatives of the Saharan Front. Since the moment that he stepped on Algerian soil, Guerra has expressed Spain's support for direct negotiations between

Morocco and the Polisario Front which have not, because they are less benefited by the forthcoming normalization of relations between Algeria and Morocco, failed to constitute a prominent position, in comparison with the stance maintained during the previous visit by high-level Spanish dignitaries, namely, that of Adolfo Suarez, in 1979.

2909

CSO: 3548/295

MADRID OPPOSITION TO PART OF BASQUE NORMALIZATION LAW

Madrid EL PAIS in Spanish 12 Mar 82 p 16

[Article by Tonia Etxarri]

[Text] The decision by the central government to challenge 7 articles of the Basque Normalization Law has caused deep indignation in nationalist circles. The lendakari [Basque president] Carlos Garaikoetxea has termed the presentation of the unconstitutionality appeal as "one of the most serious events of recent times." As far as the Basque socialists were concerned, they did not conceal their perplexity in view of the legal measure as announced since the law had been approved by consensus by all political forces, except the Popular Alliance, in the Basque parliament.

Insofar as EL PAIS was able to learn yesterday, the Ministry of Territorial Administration had advised the government to challenge only the third paragraph of Article 8 of law (relative to use of a single language), but the Socialist Executive branch decided to challenge 7 articles. Article 8/3 says: "Public officials will be able to make exclusive use of Basque in the area of local administration when, because of the sociolinguistic situation of the community, the rights of the citizens are not impinged."

Territorial Administration experts had recommended that only this article be challenged by pointing out that it entitles public officials to use the Basque language exclusively in certain communities, which, in their opinion, involves a violation of Article 6 of the Statute on Basque autonomy and Article 3 of the constitution.

However, the Council of Ministers accepted recommendations by experts in other ministries and decided to challenge 7 articles of the law before the Constitutional Court.

Frontal Attack

The president of the Basque government, Carlos Garaikoetxea, termed the decision of the Council of Ministers as a "frontal attack on the statute." "Decisions such as this one confirm the concern we felt over the new government." As if this involved seeking coincidence in the first 100 days of the Felipe Gonzalez government and the partial challenge of a law which

has produced the largest consensus in the history of the Basque parliament, he stated: "We are fed up with the socialist government's making no new contribution aside from pretty words."

When referring to paragraph 3 of Article 8, Garaikoetxea stated: "Claiming that Basque is going to kill or stifle Castillian is unjustified. To consider doing so, taking into account the conditions of discrimination in which our minority language has historically lived, would imply that we have lost our minds. In this sense the lendakari added that "the period of grace for the socialist government is passing. The majority of the people are sick and tired of it and it would not be surprising for them to rise up in indignation at any time."

The Basque socialists did not conceal their perplexity in view of the measure inasmuch as the presentation of repeal against a law which they contributed to being passed in parliament illustrates the disapproval of the Felipe Gonzalez team of its behavior. Euskadiko Ezkerra [Basque Left] points out that "if we were to accuse the socialist government of anything it would be of ignorance of what goes on in bilingual countries."

Alberto Perez Calvo, director general of cooperation with autonomous communities, stated yesterday that "it must be clear in any event that the challenge in no way means suspension of the law which will remain in force until there is a ruling by the Constitutional Court." Nor does it mean, in his opinion, any impairment of the right to utilize the language of their choosing within the Basque Country area in addressing themselves both to autonomous administration and to administration coming under the Spanish Government.

9436

CSO: 3548/257

WOERNER ON ARMS TECHNOLOGY, MANPOWER ISSUES

Bonn WEHRTECHNIK in German Mar 83 pp 14-16

[Interview with Federal Defense Minister Dr Manfred Woerner: "You Have Peace and Freedom Only so Long as You Are Ready to Defend Them"]

[Text] The minister commented on issues extending from the Rogers plan, armament cooperation, and Wartime Host Nation Support all the way to personnel problems in the West German Armed Forces. It was impossible to conduct the interview in the planned personal form obviously because the minister was quite overworked as a result of the election battle and the questions were answered only in written form. This is why the reader will certainly miss the necessary depth in some of the answers.

WEHRTECHNIK: There is a discussion in progress currently under the names of Airland, Rogers Plan, BDM Study, etc., as to how the conventional fighting capacity can be strengthened through the application of new technologies with the goal of raising the nuclear threshold and making deterrence more credible. What conclusions can you see in this connection regarding the equipment of the West German Air Force and the West German Army?

Federal Minister Dr Woerner: The efforts, which you summarize by the term "Rogers Plan," are indeed designed again to make NATO strategy sufficiently flexible in medium-range and long-range terms by boosting the conventional components. The resultant greater credibility of our deterrent makes it possible to raise the nuclear threshold.

This concept is designed for medium-range to long-range terms. Some of the misunderstandings on the part of the critics who have come out against these ideas is due to the fact that they assume that the targets can be attained tomorrow or the day after tomorrow.

But that is not realistic. The whole thing will certainly take a decade before it can become a reality. Future armament undoubtedly plays a decisive role.

NATO's military technical committees have been directed to conduct corresponding investigations and to propose specific measures.

I myself have the intention after 6 March to set new critical main points in the long-term planning of the West German Armed Forces first of all in the research and development sector: That applies to observation and command systems, to new kinds of ammunition, and to precision-guided weapons. I cannot and do not as yet want to give any details on that.

WEHRTECHNIK: The concept now under discussion basically rests on the work that was financed years ago in the United States by the Defense Ministry via the DARPA. The FRG and the other alliance partners did not pursue our involvement in these new technologies in as planned a manner because the R&D expenditure items in some cases are being constantly cut back. What do you want to do to make sure that we do not wind up with a technology gap here that can never be closed? Is this not also the place where we need stepped up coordination between ministries?

Dr Woerner: These considerations did not come up as a surprise. I myself in the summer of last year developed corresponding ideas, partly together with the American Senator Nunn and I presented those ideas to the West German press at that time still in my capacity as the opposition's defense-policy spokesman.

Now that I have in the meantime been able to gain more insight, my impression at that time has grown into strong certainty: The research and development field--and I would include here the systematic analysis of developments achieved in other countries--has been neglected increasingly and in a criminal manner in the FRG. The fatal consequences of this kind of action were not recognized. This is why I instituted a change in the trend in the truest meaning of the word. For 1983 already I raised the research and development budget funds by about 10 percent--as compared to an overall increase of less than 5 percent. The only thing is this: You cannot correct such mistakes of the past in just one year and the desolate state of our government finances at that time does not allow us to make any big jumps.

Nevertheless, this field will continue to remain a central area of future investments as far as I am concerned. The measures, which I have taken in the meantime in the area of ministerial coordination, particularly in the areas of planning, management, and control, were an important and necessary step. Better interministerial cooperation must certainly be the next step.

WEHRTECHNIK: The agreement on the "Wartime Host Nations Support" calls for considerable German performances. How far have the preparations progressed here? Would the WHNS [Wartime Host Nations Support] include protection for American airfields--if the Americans were to purchase ROLAND for this purpose--in conjunction with German soldiers?

Dr Woerner: I want to thank you for asking me this question because you are giving me an opportunity to make reference to an important sector in bilateral cooperation with the United States.

You know that the United States in the 15 April 1982 agreement pledged to boost its forces stationed in the FRG to ten divisions within 10 days. The program's costs are around DM1.26 billion, distributed over 7 years, for the infrastructure, and about DM105 million for the annual operating costs.

In conjunction with the passage of the 1983 federal budget, DM43,825 million were approved, as requested, for 1983. The United States Congress at that time unfortunately was not prepared to keep step with the United States government when it came to the passage of the 1983 United States defense budget. This item was disapproved on 20 December 1982. It is the declared intention of the United States administration to have this congressional decision revised at the soonest possible moment.

Additional protection for American airfields by means of ROLAND was not the subject of the WHNS agreement. The increased weapons effect of the Warsaw Pact endangers airfields more than in the past, of course not airfields alone.

Additional protection in the form mentioned by you is an interesting idea but it is not a part of the treaty.

WEHRTECHNIK: Do you consider France to be a preferred partner in armament cooperation and in what areas is such cooperation desirable? Possibly in the case of the PAH-2 [AT helicopter] and the TKF [tactical combat aircraft]?

Dr Woerner: German-French armament cooperation until now has been particularly intensive and successful. Examples are Breguet ATLANTIC, TRANSALL, and ALPHA JET, and well as KORMORAN, MILAN, HOT, and ROLAND.

The intention of continuing this cooperation in the case of the 90 battle tanks came to naught. This was partly due to the differing introduction intervals in both armies. As a result of the latest German-French summit meeting, security-policy cooperation and here especially arms cooperation is being examined. A steering committee was established in Paris on 7 December 1982 and the task assignment for an armament cooperation group was also spelled out on that occasion.

We are trying to figure out how we can coordinate cooperation with each other also better in terms of planning.

In the future we do not want to put the cart before the horse. So we are drafting a common threat spectrum and we derive common undertakings from that. We are particularly intensively examining at this time the project for a PAH-2.

WEHRTECHNIK: The West German Armed Forces will face considerable problems as a result of the much-discussed decline in the birthrate due to the pill. What measures do you want to take to keep the West German Armed Forces fully ready for action? Can you see any new structural setups for the various services in this connection? Perhaps a certain militia component?

Dr Woerner: The problem of the declining number of males in the various age categories and increasing difficulties in recruiting was presented a year ago by the so-called long-term commission. The follow-up work is being continued according to plan within the Defense Ministry and will presumably be completed in the summer of this year. But there is one thing that is clear right now: The key to the solution of the personnel problem lies in an increase in the percentage of longer-service personnel. And that costs money.

If we do not manage to get more volunteers, both extended-service and career personnel, then it will no longer be possible by the end of the 1980's to keep the federal armed forces up to strength in numerical terms. That would have critical consequences, not only for our defense capability but also for our position in the alliance. This is why replenishing our volunteer component is an absolute priority for me.

The 4th Army organization model, which took effect on 30 September 1980, exploits the potential of trained reservists. Today we have a graduated in-being strength above all in the army. Corps and division units are dependent on mobilization to the extent of more than 30 percent. The question as to whether a further change in the structure of the West German Armed Forces will become necessary cannot be answered at this time. Stepped-up cadre staffing would at any rate impair our capability for forward defense. Besides, a reduction in our personnel strength would also have political repercussions.

WEHRTECHNIK: The number of draft resisters keeps increasing and this would seem further to strengthen the effects of the manpower decline due to the use of the pill. How can one elevate society's defense preparedness and what can the federal government and especially the defense minister do along these lines?

Dr Woerner: Our constitution has a clear "yes" answer to the question of national defense. Parliament to this very day likewise says "yes" concerning the general civic duty of young men to serve in the armed forces.

It must therefore be the task of politicians in all parties to make it clear to the young people that our constitutional democratic system is worth defending. In my opinion, it is above the schools that must provide better information about the meaning behind our national defense effort. Young people must learn that one can have freedom and peace only so long as one is prepared to defend them.

This is why I urged the minister of culture, right after taking the oath of office, to take proper action.

WEHRTECHNIK: What do you think are the most urgent tasks in your activity, specifically, those which are given to you and those which you set for yourself?

Dr Woerner: I set myself the following goals from the very beginning:

The soldier, the young person, military training, education--these are at the very center of all efforts made by the political and the military leadership.

Some things have already been ordered but it takes a while until we can recognize improvements.

Routine operations in the armed forces must again be so arranged that everybody will have room to breath to the extent that he needs it in order to be able to accomplish his mission successfully at his station. In other words, more independence, more responsibility for instructors and superiors--

even if that should lead to mistakes now and then. Less mothering, less in the way of protecting your position up and down the line, less central regulations and no more of that anxious thinking that the subordinate might make mistakes if he does not get specific instructions as to how to accomplish his duties. In other words, mission-oriented tactics.

It also seems quite important to me to maintain and strengthen our nation's defense preparedness. That is a political assignment. Patient indoctrination, objective discussion, and empathy--these are being promoted; but we also promote training about whose meaning and necessity the draftees are firmly convinced after they have put in their basic military training.

The current and foreseeable economic situation forces the services to some rethinking. Both in terms of operations and in terms of demand. It is certainly justified always to strive for the best in military terms. Superior equipment reduces casualties.

We will have to do without perfection.

And finally: The problem of meeting personnel requirements during the late 1980's will soon call for trend-setting decision. But here I am confident that we will find satisfactory solutions. In this connection we will run into the question of personnel-saving weapons systems.

5058

CSO: 3620/263

BRIEFS

AIR FORCE GETS PIPER CHIEFTAINS--The Air Force is renewing its materiel. On Wednesday [23 March] the first in a series of a total of four Piper Chieftain communications planes was delivered at Helsinki-Vanda Air Force Base. Including the necessary modifications to be made on the planes and all the spare parts, the value of the contract is approximately 14 million Finnmarkkas. The new planes will partly replace the old DC-3 transports, which gradually will be "pensioned off." The Defense Ministry received authority from the cabinet a year ago to order four twin-engined Piper-Chieftain planes from Kar-Air Oy [a domestic charter firm]. The plane can transport eight persons or 800-900 kilograms of cargo. The maximum range with full load is 800 km and the air speed is approximately 350 km per hour. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 24 Mar 83 p 1]

CSO: 3650/158

'PRAETORIAN' TRAINING CHARGED AT TATOI AFB

Athens I VRADYNI in Greek 10 Mar 83 p 16

[Text] Yesterday, deputy National Defense minister, Mr. A. Drosogiannis, indirectly confirmed the charge about the formation of a group of "praetorians" in the Air Force by admitting that a unit based at Tatoi is also being trained for the security of the airfield should the need arise.

As is known, the disclosure was made last Sunday in a speech by former minister, Mr. Ath. Kanellopoulos, who said that the government had formed an "Iron Guard" for the premier in the Air Force consisting of 120 "praetorians."

Questioned about the subject, deputy minister for National Defense, Mr. A. Drosogiannis, initially showed that he was not properly informed and was somewhat guarded; "The charge seems a little ridiculous" he said.

The Mission of the Unit

However, in answering a question about the mission of this unit and the training of its men, Mr. Drosogiannis made the observation that "every unit should be able to protect itself" and added that "to be able to do something more than 'shoulder arms' and 'present arms' does not mean that it is being trained to quell disturbances."

"They must be able to protect their unit and not let themselves be caught by three men as happened on 21 April [1967]" Mr. Drosogiannis said. Mr. Drosogiannis reiterated that this squadron is being trained to be employed--should the need arise--for the security of the airfield; however, he did not deny the report about the type of training.

"Well, it is possible that they may participate in such an exercise," Mr. Drosogiannis stated and hastened to add, "this is not their mission, however."

Finally, the deputy minister avoided answering questions as to why similar groups have not been formed in other Air Force units, in other cities and in other services such as the Army and the Navy.

Its Mission

According to press reports, it involves the Honor Guard Squadron (SAT) which is stationed at Tatoi and is being trained for situations of "unconventional warfare" such as street fighting, quelling of demonstrations, protection of VIPs, etc. The squadron is composed of carefully selected individuals and is supposed to be used for honor rendering duties. However, behind the facade of its official mission is hidden the quelling of demonstrations, the protection of VIPs, etc.

9731

CSO: 3521/243

INCREASED SECURITY CORPS CIVILIAN PERSONNEL

Athens I KATHIMERINI in Greek 9 Mar 83 p 2

[Text] Yesterday, the minister of Public Order, Mr. I Skoularikis, announced that, in the context of the government's efforts to reinforce the strength of the combat services of the Security Corps, the ministry has already proceeded with the hiring of 250 special administrative employees under one-year contracts. The newly employed will replace men of the Security Corps presently in staff services, who are typists, secretaries, file clerks, etc.

The minister, in answering a pertinent question, stated that he feels sure that there will be no renewal of the contracts of these special employees because, during the span of the one-year contract term, the reorganization of various services of the Security Corps will be completed. Thus, a large number of police employees will be spared so that not only will the specific needs, which the 250 special employees hired will handle, be covered, but many others as well, mainly relating to law enforcement. For this reason, the minister added, his initial decision to increase the organizational strength of policemen and gendarmes was abandoned.

Later, in referring to several points in his speech, delivered day before yesterday at the Chamber of Commerce and Industry of Athens, the minister said that the postponement of the abolishment of the independent services, etc. did not mean that the Security Corps would be merged, but it involved his decision to eliminate the overlapping of services and their subordination under only one service.

Finally, Mr. Skoularikis, in reply to a question regarding the creation of a political security force as he had mentioned in his speech, said that this statement was made inadvertently. He said it involves the Emergency Planning Policy service, which already exists and which will be reorganized on a new basis in order to be used to meet situations requiring special tactics.

9731

CSO: 3521/243

MILITARY WANTS GREATER TECHNOLOGICAL INDEPENDENCE

Madrid EL ALCAZAR in Spanish 22 Mar 83 p 9

[Excerpt] Spain obtained war materiel abroad amounting to 100 billion pesetas during the past year. Undersecretary of Defense Eduardo Serra indicated at the inauguration of the first Military Electronics Sessions which began yesterday in Madrid.

This symposium had been organized by the Spanish section of the Electronic Engineering Institute, the Espresa University Foundation and the College of Engineers and Armament. Meetings will be held through 23 March. These meetings will attempt to bring together business enterprises of the technological sector, university departments doing research in the field and the armed forces in order for them to study the possibility of launching a national electronics program by paying attention to military requirements.

Electronics nowadays is the key factor in military industry and, although no definite statistics are available, it is thought that the larger part of the figure expended for imported armaments goes to purchase electronics elements. The desire therefore is to achieve a large measure of independence vis-a-vis foreign technology, and so contacts for projects with public and private Spanish firms are going to be promoted.

In these sessions then, priority will be given to studying possibilities in the fields of telecommunications; detection and telemetry; signal processing; control and guidance; and measurement, evaluation and simulation.

According to what EL ALCAZAR was able to learn, the possibility of achieving a key development in a very specific area will be studied during these sessions. We were not able to learn which specific field is involved in this effort. At the present time, a particular NATO country, while not neglecting any area of military electronics, specializes nonetheless in one particular sector with which other countries of the alliance are not primarily concerned.

As Undersecretary Serra indicated at the inaugural ceremony, it is planned that, in the year 2000, Spain will spend 70 percent of her military budget on acquisition of materiel (as against 30 percent for personnel), but a large part of that money will have to remain in Spain. For that reason, the Ministry of Defense wants to inform the electronics enterprises of military requirements now so that they can initiate systematic research.

CAPE VERDE GRANTS LICENSE FOR TUNA FISHING

Lisbon DIARIO DE LISBOA in Portuguese 7 Mar 82 p 10

[Text] The granting to Portugal of 12 licenses to fish in Cape Verde waters and importation by our country of bananas, salt and lobster from the Atlantic archipelago, are the most important decisions of economic nature adopted at the sixth meeting of the Luso-Cape Verde Joint Commission which concluded last Saturday in the City of Praia.

The two delegations have been meeting since 28 February and have made a review of bilateral cooperation in 1982 and planned actions to be developed during the present year.

The granting of the 12 fishing licenses, 10 of them to Portuguese tuna ships, was the most outstanding result of this meeting, said Cape Verdian sources.

The Portuguese ships will fish in the Exclusive Cape Verde Economic Zone covered by a fishing agreement signed in 1979 during Ramalho Eanes' visit to Cape Verde, and implemented just now.

During the meeting, the building of 124 housing units for Portuguese cooperants in the City of Praia was announced. It will cost 400 million escudos. According to the Portuguese delegation, these housing units will be concluded within 12 months.

The Luso-Cape Verde Joint Commission also analyzed Portuguese proposals for the installation of some industrial units, but they were not approved.

For its part, Portugal is going to open to Cape Verde a symbolic quota for the exportation of Cape Verdian clothing and shoes, maintain the present annual quota for the importation of 5,000 tons of Cape Verdian bananas, and study the possibility of importing salt and create conditions for the importation of lobster.

Some fiscal exemptions for the importation of lobster could be established, according to sources of the Portuguese delegation.

The Paria government is going to analyze a report by the Institute for the Support of Small and Medium-Sized Industrial Enterprises (IAPMEI) of Lisbon

presenting the possibilities of installing or rehabilitating small industries on some of the islands of the Cape Verdian archipelago.

In the field of education, Portugal, which maintains in its universities some 220 Cape Verdian scholarship students, will continue to support the training of cadres in the area of professional training and in higher education.

11634

CSO: 3542/77

BRIEFS

NORWEGIAN COD FISHING QUOTA--This year Portugal will be able to fish up to 5,000 tons of codfish in Norwegian waters. This is the first time that a quota for fishing in that country has been granted to us. The announcement was made yesterday by State Secretary for Fisheries Faria dos Santos after 2 days of negotiations with his Norwegian counterpart. On the other hand, the volume of purchases of that fish by Lisbon has been maintained by 6,000 tons. The fishing locations have not been assigned as yet because first it is necessary for the shipowners of long-distance fishing to decide which are the ships they intend to send to Norwegian waters. To make this decision the shipowners are holding a meeting today. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 9 Mar 82 p 1] 11634

CSO: 3542/77

PROGRESS REPORT ON ANTARCTIC EXPLORATION

Bonn DAS PARLAMENT in German 19 Feb 83 p 17

[Article by Herwald Bungenstock: "Station in the Eternal Ice: Antarctic Research in the Federal Republic of Germany"]

[Text] The federal government decided on 5 October 1978, to seek expansion of the FRG's Antarctic Agreement membership, which it had held since 18 January 1978, to include the Agreement's consultative group.

The Antarctic Agreement was signed in Washington on 1 December 1959, by 12 nations: Argentina, Australia, Belgium, Chile, France, Great Britain, Japan, New Zealand, Norway, the USSR, South Africa and the United States. Since then, an additional 14 nations have joined the Agreement: Brazil, Bulgaria, the FRG, Denmark, the GDR, Italy, the Netherlands, Papua-New Guinea, Peru, Poland, Rumania, Spain, Czechoslovakia and Uruguay. The objective of the Agreement is to preserve the territory south of the 60° latitude in its natural condition and to ensure its use for exclusively peaceful purposes.

The so-called consultative group in the Agreement consists of the above-listed 12 signatory nations and any other treaty partner who has demonstrated an interest in the Antarctic by undertaking significant scientific research in Antarctica, such as establishing a scientific research station and deploying scientific expeditions. Acceptance into the group is subject to a special examination procedure. It was applied for the first time in 1977, when Poland was accepted as a member. To ensure execution of the Agreement, the members of the consultative group have retained a number of privileges, such as the right to participate in consultation meetings, to make final decisions on recommendations concerning the use of the Antarctic and changes in the treaty and to conduct inspections in all regions of the Antarctic.

At the time, the federal government requested the Federal Minister of Foreign Affairs and the Federal Minister for Research and Technology, in coordination with other interested agencies, to make the necessary preparations for membership in the consultative group. The Federal Minister for Research and Technology was instructed to start work forthwith on an Antarctic research program for submission to the Cabinet. One year later, on 12 December 1979,

the federal government made the following decisions regarding the Antarctic research program drafted by the Research and Technology Minister, in coordination with other government departments, the German Research Association, the universities, the Max Planck Institutes and industry:

1. Establishment of a research station in the Antarctic.
2. Construction of a vessel to support polar research.
3. Deployment of research expeditions in the Antarctic.
4. Intensification of FRG work on polar research and development.
5. Establishment of the Alfred Wegener Institute for Polar Research in Bremerhaven.

The Research and Technology Minister began work immediately to put these various goals into effect. Already, during the 1979-1980 Antarctic summer, preparations for the establishment of an Antarctic research station led to an exploratory expedition to the Filchner Shelf at the southern edge of the Weddel Sea. In November 1980, the icebreaker research vessel "Polarsirkel", the freighter "Gotland II" and the deep-sea rescue tugboat "Titan" left the FRG to set up the first German research station in the eternal icescape of the South Pole. Dense icefields slowed the ships' voyage. A mere 170 km from their final destination, shortly after passing the Soviet summer station Drushnaya, the sea route became blocked by an impassable barrier of packed ice. When it became apparent that the planned landing point could not be reached in time, the Federal Minister for Research instructed the expedition to sail and alternate landing point in Atka Bay 1,450 km to the north-northeast, to a point in front of the Ekstroem iceshelf. On 19 January 1981, the ships arrived at the new location. In spite of strong storms with a wind velocity of 12 as well as other obstacles, such as fog and drifting snow, the construction crew won its race against time. In early March 1981, shortly before the Antarctic winter set in, the research station became operational. It was named after Prof Dr Georg von Neumayer, former head of the Hamburg Marine Observatory, who proposed in 1895 that exploration of the Antarctic be declared the first task of geographic exploration.

In recognition of the FRG's contributions to Antarctic research, in particular, the completion and opening of the Georg von Neumayer station; the participation of the FRG and its research vessels "Meteor" and "Walther Herwig" in the exploration of the Antarctic eco-system and the South Pole sea krill; and the research work of the Federal Minister of Economics, the Federal Minister for Food, Agriculture, and Forests and the universities and colleges, the FRG became on 3 March 1981, the 14th nation to be accepted as a member of the Antarctic Agreement's consultative group. Because of this membership, the FRG now shares responsibility for the future of the Antarctic continent.

Exploration of the Iceshelf Area

The Georg von Neumayer research station consists of two sheetsteel pipes, each 50 meters long with a diameter of 7.5 meters. The inside has insulated living and lab quarters in block formation. Among the scientific and technical facilities are a meteorological measuring station, a geophysical observatory, electrical generators, a drinking water and sewage disposal installation, a kitchen with pantry, a radio transmitter, workshop and ventilation system. In addition, there are sleeping and living quarters for up to 30 persons, a medical station, a survival station and a fuel storage facility. Construction costs were DM 15 million.

Five men stayed at the station in early 1981. They were the first team to spend the winter there. They were relieved in January 1982. Before returning home, they helped with the construction of the FRG's Filchner summer research station at the western edge of Berkner Island, the location which could not be reached in 1980-1981 to set up the main station. Construction costs were DM 1.2 million.

The scientists use the Antarctic station as a base from which to explore the surrounding iceshelf. Questions relating to meteorology, glaciology, geology, and geophysics, together with programs in the fields of oceanography, astrophysics, biology and engineering, have priority.

The Alfred Wegener Institute for Polar Research (AWI), a large research institution in the FRG, was founded on 5 August 1981, in Bremerhaven to coordinate FRG contributions to Antarctic research, to provide the necessary support functions and to conduct research of its own. Some 90 percent of its funding is provided by the Federal Ministry for Research and Technology and the remaining 10 percent by the Hanseatic city of Bremen. Construction of a building to house the institute began on 9 December 1982, in Bremerhaven. Completion of the project is scheduled for 1985.

The AWI work program, which is currently being developed, centers on scientific exploration of the North and South Pole regions. The program is closely associated with those of nearby research institutes and universities. Since 1982, the institute has been responsible for matters relating to the Antarctic stations and the polar research and supply ships.

"Polarstern" is Operational throughout the year

In August 1980, the Federal Ministry for Research and Technology awarded the contract for the construction of the first German polar station and supply ship. One year later, the ship's keel was laid. Constructed and tested in a record time of 15 months, the special boat, baptized "Polarstern" [Polar Star], was put into operation on 9 December 1982, by Dr Heinz Riesenhuber, Federal Minister for Research.

Next to the AWI and the Antarctic research stations, "Polarstern" is the third important support pillar for FRG Antarctic research. With the assistance of its research longboat "Polarfuchs" [Polar Fox], the "Polarstern" serves

primarily as a floating research station. In addition, the ship is responsible for supplying the Georg von Neumayer station, the summer station on the Filchner iceshelf and the field stations.

Scientists of all disciplines involved in polar research can do comprehensive work on the ship. The vessel makes it possible, for instance, to conduct, research in the formation of packed ice as well as in the geology and biology underneath the ice and in the ice-free areas at the edge of the iceshelf. The "Polarstern" is used not only during the summer months in the polar regions, as is usually the case, but also during periods of inclement weather.

To build this unusual research vessel, the utmost ingenuity and efficiency were required of all participants with respect to the work program, area of deployment, size of the ship and engine installation. The unfavorable Antarctic environment and the involvement of a great many scientific disciplines necessitated comprehensive development work in shipbuilding, mechanical engineering and research. The shape of the ship was the result of long years of systematic experimentation with models in an ice tank. Hence, the new shape of this icebreaker, compared with traditional shapes, has considerable economies in fuel consumption. The new shape prevents large ice flows from getting into the propeller. With its 43 mm-thick exterior skin, the crew of the ship need not fear being rammed by ice or taking on additional weight due to freezing.

The use of the "Polarstern" is determined by AWI, interested research teams in other institutes and international agreement.

The ship is scheduled to spend about 80 days each year in the Arctic and about 170 days in the Antarctic. During the long periods of travel, oceanographers, meteorologists, atmospheric chemists, geophysicists and geomorphologists can use the boat to work out transatlantic averages. On 27 December 1982, the "Polarstern" left port for its first expedition in the Antarctic Sea.

With FRG membership in the Antarctic Agreement's consultative group, the mandate given to the Federal Minister for Research and Technology to develop the FRG's contributions to Antarctic research has earned international acclaim. This impressive result was made possible by the constructive collaboration of groups in research, industry and government.

Despite first-rate performances and the successful employment of high technologies, it must not be forgotten that Antarctic research, at a distance of 15,000 km, harbors risks which can be anticipated to only a limited extent.

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